

60<sup>th</sup> Anniversary Special Commemorative Edition

January - June 2016  
**aiAi NEWS**

Connecting Businesses Globally - Since 1956



# Glimpses of 60 years





**Babubhai Chinnai MP**  
Founder

## AIAI : Building Bridges of Prosperity Through Industry

Established in 1956 under the dynamic leadership of Late Shri Babubhai M. Chinnai (M.P). It is today a premier industry association representing industries across sectors located in Mumbai, the commercial capital of India, AIAI is a not for profit, non-government organization, advocating the cause of trade & industry with an overall aim towards industrial growth.

AIAI endeavors to meet the various needs of enterprises by combining the power of networking and resource building. AIAI plays a prominent role in promoting its members to international markets, concerned authorities and represents their issues to the State and Central governments from time to time. The activities of the association go beyond the traditional format of industry associations.

### **Advocates the Cause of Trade & Industry**

AIAI represents its members on national and regional Government bodies and Financial Institutions. AIAI aims to bring about an interaction between regulatory authorities and industries which will assist in formulating policies that encourage trade and investment, leading to economic growth and productivity.

### **Promotion of International Trade**

Trade Associations and Chambers of Commerce play a vital role in contributing towards the economic development of any country. It serves as a conduit to the Industry and entrepreneurs looking to explore international markets

The AIAI has signed agreements for co-

operation with over 250 International Trade Promotion bodies and Chambers of Commerce from across 60 countries. This highlights our mission to promote international trade, enhance exchange of trade related information and trade delegations, foster joint ventures, technological alliances and thus contribute towards the process of globalization.

### **Micro Small & Medium Enterprises – MSMEs**

MSMEs are the key drivers of the Indian Economy. Recognizing its importance, AIAI engages in promoting MSMEs and Entrepreneurship development through its various sensitization programs on trade and industry.

### **Policy Framework**

AIAI actively participates in policy work representing enterprises to the government on trade and business policies and has made several submissions on regulatory reforms.

### **Facilitating Partnerships**

The AIAI also assists overseas enterprises seeking business opportunities in India by identifying suitable partners for joint ventures, takeovers and other commercial alliances.

### **Expand your International business network and build smarter businesses / enterprises**

AIAI brings together Indian and international government authorities, decision makers, experts, business leaders, entrepreneurs, SMEs, Clusters and policy makers to share their knowledge and perceptions.

### **Recognition**

A "Special Cover" to honor All India Association of Industries (AIAI) for its 55 years of service to Trade and Industry was released by the Department of Post and Telegraph.

### **Membership and Its Benefits**

AIAI is a platform for businesses across all sectors of the industry, to get a real understanding of the opportunities available and to communicate more effectively with other businesses and policy makers both in India and across the globe.

### **Activities**

- Seminars, workshops, trade exhibitions, trade delegation visits, interactive meetings and economic forums. Some of our flagship events include Global Economic Summits on trade and investments, export-import policies, budget.
- Organizing trade delegation visits to different countries and also participation in international trade fairs accelerating business opportunities.
- B2B meetings and G2G meetings in India and overseas.

### **Services**

#### **Certificate Of Origin**

All India Association of Industries has been authorized by the Government of India to issue Certificate of Origin to exporters. The exporters can now avail this facility from the AIAI Secretariat.

#### **Visa Recommendations**

AIAI's international linkages with embassies and consulates allows the association to issue recommendation letters for business visas

### **Associate Bodies**

#### **Indo Polish Chamber of Commerce & Industry - IPCCI**

IPCCI was established in 2001 to facilitate bilateral trade, investment, joint venture, technology transfer and trade-related information exchange between India and

Poland. IPCCI is recognized by the Consulate General of Poland in Mumbai as well as Embassy of Poland. The Chamber organizes seminars & conferences, trade delegations, trade fairs, one-to-one business meetings with Polish counterparts and cultural programmes.

#### **Indo Mauritius Chamber of Commerce - IMCC**

IMCC was established in 1999 with the support of the partner nation including the Mauritius High Commission and Consulate General to explore business opportunities between India and Mauritius. The Chamber organizes seminars, trade delegations and one-to-one business meetings with counterparts and disseminates trade and industry related information to promote trade between India and Mauritius.

#### **Russia India Trade House Mumbai - RITHM**

This common collaborative plank stands to benefit all concerned stakeholders in the long run. Set in this backdrop, the establishment of the Russia India Trade House Mumbai (RITHM), goes a long way in the effective promotion and augmentation of bilateral trade between two of the fastest emerging economies of the world - India and Russia.

#### **Young Entrepreneurs' Society - YES**

The AIAI initiated its youth wing, YES, in early 2001 to motivate and groom young individuals with entrepreneurial drive. YES members are in the age group of 21-35 years mainly representing family owned business or first generation entrepreneurs who have ventured into manufacturing, trading or service providers. The Association aims to educate them on industry trends in the era of globalization through a vibrant calendar of events.

#### **Indian Council of Foreign Trade - ICOFT**

ICOFT was established with a view to facilitate foreign trade and explore overseas markets for products of Indian SMEs.



## PRESIDENT'S DESK

Dear Members

The year 2016 marks the AIAI's 60th anniversary; 60 years – circa 1956, the AIAI has definitely travelled a long way since then, having played an active role in the country's socio-economic development over decades. Established in Mumbai, the commercial capital of India under the dynamic leadership of Late Shri Babubhai M. Chinai (M.P), AIAI today is a powerful platform representing trade and industry.

To commemorate its adventurous journey on the occasion of its 60th anniversary, this edition's Cover Story - Growth of Indian Industry and Road Ahead documents the industrial reforms since 1991. The highs. The lows. The hits. The misses. The breakthroughs. The pain points. The issue captures some of the critical moves undertaken by the AIAI during this significant period in the nation's history and what lays in store.

In our archival excerpts we reprint some of the important activities that was taken up by the association during those crucial years of industrial growth and the association's efforts to promote trade and industry specially in its bid to provide a manifesto for SMEs to grow and in terms to look beyond the present moment.

AIAI's Past Presidents reads like a Who's Who and we are proud to say that Shri Pravinchandra V. Gandhi, Shri Jayantialal R. Mehta, Shri Madhav Gandhi, Shri Prem Chand Jain, Shri Harish Mahindra, Shri Jayant S. Dalal, Shri G.N. Somani, Shri Naren C. Desai, Shri Himat J. Doshi, Shri Ghanshyam Binani, Shri J.H. Doshi, Shri Kiran N. Jhaveri and Shri Chandakant S.

Desai have presided over the AIAI.

Through written records and photographs from the initial years; we have tried our best to encapsulate and present a fair history of AIAI's role in the promotion of trade and industry through the ages.

Change is inevitable, but the one constant in the Nation's history has been industrial progress specially after the industry reforms in 1991. Being a protected, primarily Government driven economy up until then, it was only in 1991 that India undertook significant reforms that put industrial progress on the right track. Since then, we have only gone from strength to strength as an industrial nation; at this juncture AIAI played a pivotal role and provided a platform for SMEs to network and voice their issues.

In recognition of AIAI's contribution to the economy and industrial development of India; the Department of Post and Telegraph, Mumbai Region, Government of India released a "Special Cover"; commemorating 55 years of AIAI's service to trade and industry.

The AIAI may have come a long way...but none of this would have been possible without the continual support, enterprise and collaboration of our members over the years. We continue to remain thankful for their valued contribution in this regard. Consequently, our members have in return received multiple benefits that we have extended to them over time. With the growth of the AIAI, we have fostered the development of a cohesive bilateral trade promotion association that has kept pace with changing times and business undercurrents.

The AIAI has worked closely with the Government at the Central and State Level, with major emphasis on the promotion of the interests of SMEs. Recognizing that SMEs are vital to India's economy, our mission has been to support and strengthen SMEs by facilitating their integration into the global supply chains by helping them identify reliable business partners through our network of over 250 Government authorities, International Trade Promotion Organizations and Chambers of Commerce. We have signed agreements for cooperation with such entities from over 60 countries...all along attempting to create a synergistic functioning environment. We also actively participate by representing enterprises to the government on trade and business policies and have made several submissions on regulatory reforms.

Besides this, the Association continues to remain in dialogue with the Government on economic policies and regulations that impact industry. We also participate in Government Advisory Panels and the Reserve Bank of India on such matters of criticality

In our efforts to promote bilateral trade relations, the AIAI is associated with the Indian Council of Foreign Trade to explore overseas markets for products of Indian origin and has established under its aegis the Indian Council of Foreign Trade (ICOFT), The Mauritius Chamber of Commerce (IMCC), the Indo Polish Chamber of Commerce (IPCC) and the Russia India Trade House Mumbai (RITHM) - in association with the World Trade Centre, Mumbai and the Consulate General of the Russian Federation in India - to facilitate bilateral trade, investment, joint ventures, technology transfer and related international exchanges. These undertakings and initiatives have created long-term value for a lot of our stakeholders along the value chain over the years.

Another well received initiative has been the establishment of the Young Entrepreneurs' Society (YES), started with the aim to promote and groom young individuals with the spirit of entrepreneurship. Keeping in line with this objective, we have instituted the

Young Entrepreneurs' Achievement Awards for budding entrepreneurs across various industries. Entrepreneurship; if done right; has the potential to plug demand-supply gaps, create employment opportunities and contribute healthily to the economy. The AIAI recognizes this aspect and supports the same wholeheartedly in its own way.

At an international level, the AIAI is affiliated to the UNIDO and the UNCTAD and has been authorized by the Ministry of Commerce to issue Certificate of Origin. AIAI also represented the country at the WTO Ministerial Meeting in Singapore, Geneva, Seattle and Oman; besides attending the WTO Forum meetings in Geneva in September every year. That isn't just it. The AIAI also represents the employers' side as advisor at the ILO, Geneva as part of the Government of India delegation.

Finally, over the years the AIAI has built a strong network and is globally recognized as a business association for promoting international trade through delegation and b2b and G2B meetings with visiting international delegates.

With the growth of the AIAI, there have emerged many other facilities that we provide our members, the AIAI has fostered the development of an extraordinarily professional bilateral trade promotion association, countless members have enjoyed the benefits of a supportive environment which is perhaps unparalleled in other chambers of commerce and TPOs.

We hope this issue serves as a small token of appreciation to the founders of the company and to many others who have generously given their time in AIAI's quest to promote trade and industry.

Vijay Kalantri

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## CONTENTS

### EVENTS

• Polish business leaders keen to partner with Indian firms	10
• E-tailing era set to revolutionise SME sector in India, says State Informatics Officer	12
• India, Canada Must Collaborate To Reap Untapped Potential	14
• Chinese Firms Eye Opportunities in Indian Maritime Sector	17
• Canada delegation senses business opportunities in India, says Premier MacLauchlan	19

### COVER STORY

• Ease of Doing Business, a major pillar of 'Make in India' initiative	51
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### SNIPPETS

• Snippets	61
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### SPOT LIGHT

• Delhi Dialogue VIII ASEAN-India Relations: A new paradigm 17th – 19th February 2016	73
• 105th Session, International Labour Conference Report on the Committee for Employment and Decent Work for the Transition to Peace International Labour Organization, UNO, Geneva 30 May - 10 June, 2016	82
• AIAI leads business delegation to Khanty-Mansiysk to attend VIII International IT Forum with the participation of BRICS and the SCO countries	98

### ADVERTORIAL

• Advertorial	104
---------------	-----

### COUNTRY PROFILE

• Surprising LUX : A dynamic economy	107
• Uzbekistan	109

### ARTICLE

• Building women's economic empowerment	111
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### AIAI REPRESENTATION

• Insolvency Bill	114
• Plea to withdraw duty on export of Bauxite Ore	116

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### Associate Bodies

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Indo Mauritius Chamber of Commerce (IMCC)

Indian Council of Foreign Trade (ICOFT)

Young Entrepreneurs' Society (YES)

Russia India Trade House Mumbai (RITHM)

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## Polish business leaders keen to partner with Indian firms



Mr. Michał Portalewski, Board Advisor, Airon Green Energy Turbines, Mr. Marek Kolczko, Vice President, Polish Chamber of Commerce, Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre Mumbai, Mr. Slawomir Majman, President, Polish Investment Agency, Mrs. Magdalena Panasiuk-Krasinska, Super Drob, Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai during an interactive meeting on 'Doing Business with Poland'

"Poland is a strong economy in the European Union and it is getting stronger with every passing year. Polish business leaders are looking for partners in India, which holds the future of global economy. There is huge scope for collaboration between both the countries in the areas of mining, food processing, steel, shipbuilding, Information Technology (IT) and ITES," said Mr. Stawomir Majman, President, Polish Investment Agency, Poland during an interactive meeting organized jointly by All India Association of Industries (AIAI) and World Trade Centre Mumbai.

Inviting Indian companies to invest in Poland, Mr. Majman said Poland is the future of Europe and the country offers a safe and attractive investment climate for Indian companies. Poland is the only country in the European Union to grow steadily even during the aftermath of the global financial crisis in 2008. Some of the key pillars of the Polish economy are strong economic growth rate, robust growth in consumption and investment. Indian investment in Poland rose seven times in the last five years. However, there is plenty of opportunities for Indian companies to explore in the Polish economy.

Mr. Majman further added that Poland is a rapidly growing and exporting country in the world. Growth rate of investment in Poland is over 8% per annum. Poland ranks 5th in the European Union on foreign investment, 3rd on job creation. The country has liberal labour policy and conducive economic policy for foreign investors. Poland witnessed rapid development in infrastructure facilities, especially in the last two years.

Mr. Marek Kiozcko, Vice President, Director General, Polish Chamber of Commerce provided an overview of the economy of Poland. Polish economy grows at 3.6% annually and the country has an inflation rate of -0.5% (as of December 2015). Top 5 export products of Poland are electrical machines, food products, and automobile components. The country imports refined petrol, automobile parts, crude oil, pharmaceuticals etc. Polish exports to India include chemical products, electric tools, iron ore based industrial products.

The visiting Polish delegation comprised business leaders from food processing, furniture, poultry, chemicals, tractors and mining equipments.

In his presentation, Mr. Michał Portalewski, Board

Advisor, Airon Green Energy Turbines, informed that his organization offers cutting edge technologies in wind turbines, water turbines and solar energy sectors. He mentioned that his organization is keenly looking for appropriate business partners in India. There is considerable unmet need for electricity in India and hence there is scope for collaboration between India and Poland in this sector. Around 50% of the rural population and 25% of the overall population in India don't have access to power. By 2024, nearly 75 million householders in India would lack access to power connections, he said quoting official estimates.

The Indian government has set ambitious target under the National Action Plan on Climate Change. Under this plan, the central government aims to generate 15% of electricity through renewable energy sources by 2020. By the same year, the government also aims to add 100 GW of installed capacity of wind energy.

India offers huge investment potential for foreign wind energy companies and it is the third largest market for wind energy technologies. Therefore, the Polish companies in this sector are keen to invest in India.

Speaking about his company, Mr. Portalewski pointed out that it offers installation services, storage technologies in the power sector besides offering technologies in the wind and water turbines. The turbines produced by his company possess unique technical parameters and they are twice as effective as those of its competitors. The turbines are also environmentally safe.

Ms. Magdalena Panasiuk-Krasinska representing the Polish firm SuperDrob made a presentation on the poultry sector in Poland. She said the poultry sector in Poland is dynamic, highly efficient and also open for development. Poultry export from Poland is growing at a rate of 10-12% annually and it is the 3rd largest exporter in the European Union after France and Holland. Till 2012, Poland exported poultry products to countries in Europe, especially to England, France and Czech Republic.

However, since 2012, the country started exporting to other countries like China. The country produces 2.5 million tonne of poultry per annum and of this 33% is exported. The poultry sector in Poland ranks 7th amongst all the countries in the world.

Mr. Vijay Kalantri, President All India Association of Industries and Vice Chairman, World Trade Centre Mumbai, said India and Poland enjoy strong economic and political relationship. The present level of bilateral trade between India and Poland is US\$1.6 billion and there is considerable scope to enhance the same. The over 7% economic growth and the moderate inflation level of around 5% present conducive macroeconomic environment for Polish companies investing in India. The Indian government, under the leadership of Mr. Narendra Modi, is taking ambitious steps like improving the ease of doing business, promoting manufacturing sector through 'Make in India' campaign. According to Mr. Kalantri, India and Poland can explore co-operation in sectors like mining, food processing, steel, shipbuilding, information technology (IT) and ITES.



Mr. Slawomir Majman, President, Polish Investment Agency being felicitated by Mr. Vijay Kalantri, President, AIAI

## E-tailing era set to revolutionise SME sector in India, says State Informatics Officer



Ms. Rupa Naik, Executive Director, AIAI, Mr. Amit Thapliyal, Head- Marketing & Digital Initiatives, Vinculum Group, Shri Moize Hussain Ali, Deputy Director General & State Informatics Officer, National Informatics Centre, Government of India, Capt. Somesh Batra, Vice Chairman, WTC Mumbai, Mr. Soumya Banerjee, Senior Vice President - Product Management Digital, Infibeam.com, Mr. Chirag Arya, Co-Founder, iChef.in, Mr. Apurva Mankad, Founder & CEO, WebXpress and Mr. Abhimanyu Radhakrishnan, Networked India at the moderated panel discussion on "Branding: Embracing the E-tailing Era"

"E-tailing sector promises to revolutionise the business model of small and medium enterprises in every district and village in India. The sector is growing at an annual rate of over 35% and its size is expected to reach \$30 billion in three years from the present level of \$15 billion. Availability of smart digital devices, internet penetration, skilled manpower are growth drivers in this sector. Small and medium enterprises are able to take advantage of the e-tailing industry owing to the advancement in the information and communication technologies. SMEs can compete effectively in the online space through innovative branding strategy. Online branding is an important part of the success of e-tailing," said Shri. Moize Hussain Ali, Deputy Director General & State Informatics Officer, National Informatics Centre, Government of India in his keynote address at the moderated Panel discussion on 'Branding: Embracing the E-tailing Era'.

The panel discussion was organized jointly by the All India Association of Industries (AIAI) and World Trade Centre Mumbai on February 11, 2016.

Mr. Ali further pointed out that the sustainability of e-commerce business model depends on the level of trust it generates amongst consumers, the risk perception on web security, internet penetration etc. Government must evolve standard operating procedures for doing business through the online platform. The sector can attract foreign direct investment owing to its strong growth potential, policy environment.

In order to ensure safety of online transaction, Government of Maharashtra is working on setting up cyber security cell in every district. Also, efforts are underway to set up computer emergency response team to track online frauds and take suitable remedies, Mr. Ali informed.

The central and state governments are leveraging the potential of information and communication technologies to deliver public services in villages through initiatives like e-panchayat, digitization of Agriculture Produce Marketing Committee (APMC) markets, Mr. Ali added.

Mr. Abhimanyu Radhakrishnan from Networked India moderated the session.

Mr. Amit Thapliyal, Head- Marketing & Digital Initiatives, Vinculum Group pointed out that there is a huge growth opportunity for third party logistics providers in the B2C segment of e-commerce. The marketplace model has tremendously enhanced the consumer reach of small and medium enterprises. E-commerce companies must take efforts to create brand loyalty which is not only the result of product quality but also timely delivery of orders. Companies can meet the customer satisfaction through innovative partnerships of retailers and marketplace e-commerce platforms, Mr. Thapliyal added.

Mr. Soumya Banerjee, Senior Vice President - Product Management Digital, Infibeam.com, emphasized the need for e-commerce companies to distinguish themselves from their competitors by communicating the unique selling proposition and brand image of their products and services through proper online channels. Companies must select the right product and target the right category of consumers to compete successfully in the online space.

E-commerce companies must be capable of generating leads in online searches by designing mobile friendly websites, so that consumers can easily discover their products on internet.

Mr. Chirag Arya, Co-Founder, iChef.in, suggested that e-tailing companies must identify gaps in products and services market and exploit it by creating an innovative, cost-effective business model. E-commerce companies in the food delivery sector are adopting efficient cold storage and logistics technologies to deliver food items to far off consumers while preserving the quality of food.

Mr. Apurva Mankad, Founder & CEO, WebXpress, pointed out the growth opportunities provided by tier 2, tier 3 and tier 4 towns in India for e-commerce companies. There is huge entrepreneurship opportunity in the logistics and warehousing industry which is valued around \$120 billion in India presently. Leading e-commerce companies like Flipkart, Amazon have established strong

logistics and transportation network in the last five years to create efficient delivery model and ensure consumer satisfaction. Small enterprises in the e-commerce space must emulate the successful business model of Flipkart and Amazon to remain competitive in the industry. The industry is grappling with the issue of manpower shortage, especially availability of delivery boys. In the next 10 years, the industry would offer job opportunity to around 5 lakh delivery boys or biker boys. Going forward, e-commerce companies must partner with logistics companies to create a robust supply chain in the industry, Mr. Mankad explained.

Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai remarked that India has made a great start in the e-tailing or electronic retailing sector. The e-tailing companies support micro small and medium enterprises eliminating middlemen, enhancing customer reach and prompting brand image. Capt. Batra highlighted the importance of branding in creating appropriate image of the product in the minds of the customers. E-tailing companies also ensure cost-effective delivery of goods from factory gate to consumer points. The growth of the e-tailing industry depends on widespread availability of internet, availability of logistics infrastructure, access to finance and progressive policy environment, Capt. Batra concluded.



Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai felicitating Guest of Honour Shri. Moize Hussain Ali, Deputy Director General & State Informatics Officer, National Informatics Centre, Government of India and looking on is Ms. Rupa Naik, Executive Director, AIAI

## India, Canada Must Collaborate To Reap Untapped Potential



Mr. Jordan Reeves, Consul General, Consulate General of Canada in Mumbai, Mr. Sanjay Makkar, President, Indo Canada Chamber of Commerce, Dr. Yadnya Pitale, Joint Director-Research and WTI, MVIRDC World Trade Centre Mumbai and Mr. Aditya Rasiwasia, Committee Member, All India Association of Industries during an interactive meeting with a high level business delegation from Canada

"Indo-Canadian economic relationship assumes great importance against the backdrop of India emerging as a bright spot in the world economy and Canadian economic growth gaining momentum. Both countries have great scope for co-operation in high-end technologies, infrastructure, renewable energy, education etc. Canada is gifted with huge amount of natural resources especially in renewable energy sources, while India is the second most populous country and one of the fastest growing economies in the world. Considering this, the present level of bilateral trade (\$6 billion) between both countries is too less and there is huge scope for expansion of commercial ties in the days ahead," remarked Mr. Jordan Reeves, Consul General of Canada in Mumbai at an interactive meeting with a high level business delegation from Canada led by Mr. Sanjay Makkar, President, Indo-Canada Chamber of Commerce. The meeting was jointly conducted by All India Association of Industries and World Trade Centre Mumbai in association with the Indo-Canada Chamber of Commerce.

Canadian investors are bullish on the Indian economy as is evident from the fact that they have made around \$11 billion investment in India so far, much of which has been made in the last one year, Mr. Reeves informed.

Explaining the potential for co-operation in the science and technology space, Mr. Reeves said there are a number of research institutes, start-up companies, universities in Canada that have developed innovative technology solutions for businesses. These organizations look out for partners who can commercialize these technologies. Considering that many Indian companies seek to adopt cutting-edge technologies, there is huge scope for collaboration between these companies and technology developers in Canada.

In the education sector, India became the largest country to send students for higher studies to Canada in 2015. Presently, around 50,000 Indian students study in different universities of Canada and this bodes well for the future economic relationship of both countries. Canadian universities are keen to seek partnership with their

Indian counterparts, he added.

Further he informed that in the energy sector, there is lot of scope for co-operation in renewable energy and nuclear power. Canada is a major exporter of uranium mainly used in producing nuclear energy and there is huge scope for collaboration between both countries in this area, as well.

In the infrastructure space, Canada can share its expertise in smart city technologies, waste-water management, urban planning, traffic management etc, he said.

Agriculture and food processing are also potential areas for co-operation between both the countries. Canada exports pulses, lentils, food grains to different countries. Specifically, it supplies around 40% of lentils consumed in India. There is a lot of scope for collaboration in the processed food sector, as very few Canadian food processing companies have explored investment opportunities in India.

Mr. Sanjay Makkar, President, Indo-Canada Chamber of Commerce (ICCC) remarked that the Indo-Canadian relationship gained renewed momentum after Mr. Narendra Modi, Indian Prime Minister visited Canada in 2015. He said there is huge scope for commercial co-operation between both countries.

### Fiscal & Monetary Policy – Combination for Better Growth

The Economic Survey predicts sustainable growth of 7 – 7.5% scaling over to 8% growth in coming years, and further consolidation of fiscal deficit to 3.5%, there is a need for the combination of Fiscal & Monetary Policy for better growth, said Shri Vijay Kalantri, President – All India Association of Industries (AIAI).

AIAI further feels in view of inflation below 5%, wholesale Price Index being negative, there is enough room for the relaxation of Monetary Policy and reduction in interest rate to give impetus to growth.

AIAI further feels there is a need for increase in public investment in view of private investment being slow due to stressed and global slow down.

The Economic Survey clearly gives confidence to the foreign investments in view of Government's Fiscal Consolidation.

Mr. Makkar shared details of the fruitful business meetings and agreements inked during the 11-day trade missions conducted by the Chamber between January 4 - 15 to facilitate commerce between both countries. Informing that these trade missions aim to enhance cross-border partnership of small and medium enterprises (SMEs) that constitute 40-50% of the Canadian economy. During this mission, the participating delegates signed several agreements with many organisations including industry bodies like FICCI, Trivandrum Chamber of Commerce & Industry, State Government of Uttar Pradesh, non-government organisations, film producing companies etc.

The delegation consisted of members of Parliament of Canada and high profile businessmen representing sectors like life sciences, pharmaceuticals, healthcare, clean energy, education, agro & food processing, ICT, tourism and smart cities.

Mr. Aditya Rasiwasia, Committee Member, All India Association of Industries, in his welcome address, informed that around 1.3 million Indians (3% of Canadian population) live in Canada. There is great scope for co-operation between India and Canada in the field of renewable energy at a time when the Indian government is implementing the Smart Cities project.





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### Events of the Month

#### Goods & Service Tax (GST) - The Game Changer

A highly informative, interactive and comprehensive workshop.

On 10<sup>th</sup> September 2016 in Indore, MP  
9 am to 6pm

#### For Registration

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On 28<sup>th</sup> & 29<sup>th</sup> September 2016 In Mumbai  
9 am to 6 pm

#### For Registration

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## Chinese Firms Eye Opportunities in Indian Maritime Sector



Mr. Li Guiquing, Chairman, Jiangsu Longchuan Shipbuilding Group, Dr. Yadnya Pitale, Joint Director-Research and WTI, MVIRDC World Trade Centre Mumbai, Ms. Le Hongxia, Chairman Global Trade Union and Chairman, Yangzhou Juneng Export and Import Company and Mr. Aditya Rasiwasia, Committee Member, All India Association of Industries during an interactive meeting with a high level business delegation from China

"The shipbuilding companies in China are looking out for business opportunities in India as the latter has a long coastline and growing shipbuilding sector. The shipbuilding sector in China is saturated and it is presently facing slowdown. India has a huge market in the shipbuilding sector and Chinese companies have the capability to build ships and meet India's demand," remarked Ms. Le Hongxia, Chairman, Global Trade Union and Chairman, Yangzhou Juneng Export and Import Company, in her keynote address during an interactive meeting with the business delegation led by her. The interactive meeting was jointly organised by All India Association of Industries (AIAI) and MVIRDC World Trade Centre (WTC) Mumbai on January 15, 2016 at World Trade Centre Mumbai.

Speaking about the Global Trade Union, Ms. Hongxia said the body was set up in Hong Kong in 2010 to provide a platform for Chinese companies to explore commercial ties with their counterparts abroad.

The Union co-ordinates with trade unions in other countries to facilitate the entry of Chinese companies in those countries. The union proposes to expand its activity in India as well to facilitate Chinese companies find ideal partners in India,

Ms Hongxia informed. The Chinese government is implementing the ambitious 'one belt one road' project to enhance trading relationship between China and other countries, she added.

Mr. Aditya Rasiwasia, Committee Member, All India Association of Industries (AIAI), in his welcome address, said, "India and China are neighbouring countries and they are natural trade partners. Chinese exports to India constitute 5% of its overall exports and it majorly includes electronic goods and machinery. Both countries have a long coastline and can provide huge impetus to the development of infrastructure, especially to India's need for road and port infrastructure. While China has built excellent infrastructure facilities, India is still developing them. Therefore, both countries have a natural advantage in collaborating in the infrastructure sector. I hope that the present delegation which consists of companies in the shipbuilding industry, port & marine equipment, power relevant equipment and export-import companies explores fruitful business opportunities with their counterparts in India".



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## Canada delegation senses business opportunities in India, says Premier MacLauchlan



Honourable H. Wade MacLauchlan, Premier of Prince Edward Island, Canada being felicitated by Mr. Vijay Kalantri, President, AIAI during an interactive meeting on 'Doing Business with Prince Edward Island, Canada'

"We sense great opportunities in doing business in India in the sectors like agriculture, food processing, renewable energy, energy efficiency, defense, higher education, bioscience, aquaculture, health care, pharmaceuticals," which are our core sectors said Honourable H. Wade MacLauchlan, Premier of Prince Edward Island, Canada, at an interactive meeting jointly organized by All India Association of Industries (AIAI) and World Trade Centre (WTC) Mumbai.

Mr. MacLauchlan twice met Hon'ble Prime Minister of India, Mr. Narendra Modi and covered 7,200 Km starting from Punjab to Maharashtra on a whirlwind tour of India with meetings held with administrative leaders of the States in India, to engage with Indian business to partner in the above sectors by way of trade and investments. Prince Edward Island is known to be officially known the Canada's Food Island due to its leadership in the agriculture and food processing sector and is a center of excellence in bioscience and agriculture and one of the biggest exporters of processed food. This being complemented with a skilled work force in the manufacturing sector.

Honourable J. Heath MacDonald, Minister of

Economic Development & Tourism, Government of Prince Edward Island encouraged to start Indian film shoots for bollywood movies due to its panoramic views especially the beaches

Mr. Vijay Kalantri, in his welcome address stressed the doubling of the present \$ 6 billion trade between India and Canada in next three years specially in the sectors like gas, oil, petrochemicals, agriculture and information technology through Make in India related strategic investment.

AIAI and WTC Mumbai in tune with their slogan "We Grow Trade" helped strike trade coalition by signing two MOUs one between BC-India Business Network and AIAI and WTC Mumbai. On behalf of the business entities the chief signatories were Mr. Vijay Kalantri Vice Chairman WTC Mumbai, Mr. Vivek Savkur, President Emeritus BC-IBN and Mrs. Rupa Naik, Executive Director, AIAI. The event witnessed around 200 B2B meetings.

Mr. Paul Ledwell, Deputy Minister of Policies & Priorities, Government of Prince Edward Island, Dr. Alaa Abd-El-Aziz, President and Vice Chancellor, University of Prince Edward Island and a high level business delegation from Canada accompanied the Premier.



Mr. Vivek Savkur, Chairman Emeritus, British Columbia - India Business Network exchanged an agreement of mutual understanding with Mr. Vijay Kalantri, President, AIAI in gracious presence of the Honourable H. Wade MacLauchlan, Premier of Prince Edward Island, Canada.

## Turkish firms keen to invest in Indian infrastructure sector



Mr. Ozgur Ozdemir, Director - TICCI (Turkish Indian Chambers of Commerce & Industry) Mumbai, Mr. Bulent Acikgoz, Vice President, TICCI, Mr. Kantemir Amitov, Board Member, Business-association "JIA" (of Kyrgyzstan), Mr. Rizanur Meral, President, TUSKON (Confederation of Businessmen and Industrialists of Turkiye), Mr. Mehmet Ali Seker, Vice President - TICCI, Mr. Vijay Kalantri, President, AIAI, Mr. Ersin Karaoglan, President - TICCI, Ms. Rupa Naik, Executive Director, AIAI

"A business delegation visiting from Turkey has shown keen interest in partnering with Indian companies in the infrastructure sector viz. road, power, ports and other related sectors," remarked Mr. Rizanur Meral, President, TUSKON (Confederation of Businessmen and Industrialists of Turkiye) in an interactive meeting with the officials of the All India Association of Industries (AIAI) and World Trade Centre (WTC) Mumbai.

Other officials who attended the meeting include Mr. Ersin Karaoglan, President - TICCI (Turkish Indian Chambers of Commerce & Industry), Mr. Mehmet Ali Seker, Vice President - TICCI, Mr. Bulent Acikgoz, Vice President, TICCI, Mr. Ozgur Ozdemir, Director - TICCI Mumbai, Mr. Kantemir Amitov, Board Member, Business-association "JIA" (of Kyrgyzstan), Mr. Abdul Wajidh, Co-ordinator - TICCI Mumbai, Mr. Vijay Kalantri, President, AIAI, Ms. Rupa Naik, Executive Director, AIAI.

Mr. Meral added that the macroeconomic fundamental in Turkey is not so strong due to double digit inflation, high interest rates etc. Also, there is slowdown in the economic growth of European countries and other prominent markets in

the world. Under this condition, the strong growth in the Indian economy, along with low inflation, offers tremendous potential for foreign companies to invest in this country. Turkish companies find it attractive to invest in the infrastructure, renewable energy, textiles, agro food and other sectors in India.

While India is a huge market with attractive growth opportunities, there is lack of readily available information on the investment avenues and incentives offered by different states in the country. In this regard, all the state governments in the country must publish information on the investment opportunities available in their regions along with the details of the incentives offered and potential companies to partner with, Mr. Meral suggested.

Mr. Meral invited Indian companies to partner with TUSKON's missions of Focus Africa and Focus Eurasia (Kazakhstan, Kyrgyzstan, Belarus, Armenia, Russia), to build trade and investment relationship with these countries.

In his speech, Mr. Karaoglan said, "India and

Turkey can explore co-operation in the areas of auto components, pharmaceuticals, chemicals etc. Turkish firms are not only interested to export their goods to India but also establish manufacturing facilities in the country on the back of the Indian government's 'Make in India' campaign."

Mr. Kalantri said, "India and Turkey are natural partners of trade as they have long standing cultural and economic ties. India has the potential to offer attractive returns for foreign investors

due to the strong growth in its economy (over 7% GDP growth), progressive policy measures to improve ease of doing business, development of the infrastructure sector etc. Both the countries must collaborate in the areas of infrastructure, construction, renewable energy, textiles etc. Especially, the Turkish companies can participate in the government's ambitious Smart Cities project by choosing one of the 99 cities chosen under this project."

## Huge potential exists to increase trade with Bangladesh

During an interactive meeting with High Commission for the People's Republic of Bangladesh, H.E. Mr. Syed Muazzem Ali, High Commissioner of Bangladesh, stated that the trade between India and Bangladesh today is US \$ 7 billion and it can grow further in the areas of Textiles, Pharmaceuticals and Shipping Industries.

Mr. Yaduvendra Mathur, Chairman and Managing Director, Export-Import Bank of India (EXIM Bank) said that we give line of credit for upto US \$ 3 billion for promoting exports between India and Bangladesh and this could be a great opportunity for trade and investment to further boom.



Ms. Samina Naz, Dy. High Commissioner & Head of Mission, High Commission for the People's Republic of Bangladesh, Mumbai, Mr. Vijay Kalantri, President, AIAI, Mr. Yaduvendra Mathur, Chairman and MD, Export-Import Bank of India, H.E. Mr. Syed Muazzem Ali, High Commissioner, High Commission for the People's Republic of Bangladesh, New Delhi, Mr. Sharad Upasani, Vice Chairman, WTC Mumbai during the interactive meeting at WTC Mumbai.

Attention Exporters!

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## Conducive atmosphere for Trade & Investment in Nepal, Says Prime Minister H.E. Mr. Oli



Shri Khadga Prasad Sharma Oli, Rt. Hon'ble Prime Minister of the Federal Democratic Republic of Nepal at a meeting organized by All India Association of Industries (AIAI) and Manisha Koirala. From (L to R) H.E. Mr. Deep Kumar Upadhyay, Ambassador, Embassy of Nepal, Actress Ms. Manisha Koirala, Actor Mr. Govinda and Mr. Vijay Kalantri, President, All India Association of Industries (AIAI).

There are tremendous business opportunities for Indian businessmen to explore possibilities of doing business in Nepal. Nepal presents a conducive atmosphere for doing business in the areas of manufacturing, hydropower, IT and Tourism sector said, Prime Minister, H.E. Mr. K. P. Sharma Oli during a meeting with the Prime Minister of Nepal organized by All India Association of Industries (AIAI), World Trade Centre Mumbai and Ms. Manisha Koirala.

H.E. Mr. Oli further said investors from various regions are looking forward to come to Nepal to explore investment opportunities, but I am looking for investments from India in the areas of Manufacturing, Hydropower, IT and Tourism, as Indian being neighborhood, we both need to progress together.

On this occasion various Bollywood celebrities were also present. H. E. Mr. Oli said to Ms. Manish Koirala and her colleagues to explore the possibilities of film shooting in Nepal. As Nepal has abundance of scenic beauty, glaciers and plenty of open space and is more suited for tourism and location shootings.

Mr. Vijay Kalantri President, All India Association of Industries (AIAI) said "We in India are interested in taking advantage of the business opportunities Nepal has to offer as well as we would like to participate in programmes organized by Nepal if given an opportunity". He also said, "We cannot forget Nepal and India share long standing cultural and friendly ties and would not like to miss any business opportunities and participate in rehabilitation programmes of Nepal after the earthquake".

Film stars Ms. Manisha Koirala, Mr. Govinda, Mr. Gulshan Grover, Ms. Tabu, Mr. Firoz Nadiadwala, Mr. Ketan Desai, Ms. Deepa Mehta, Mr. Manmohan Shetty, Mr. Subhash Ghai, Mr. Pahlaj Nihalani, Chairman of CBFC along with other prominent personalities from the film fraternity were present. Besides, many industrialist from Indian and Nepal along with the Prime Minister, Cabinet colleagues and officials and Ambassador of India in Nepal H.E. Mr. Ranjit Rae and Ambassador of Nepal in India H. E. Mr. Deep Kumar Upadhyay.

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## Russia's Ugra region keen to partner with IT leader of the world

"Khanty-Mansiysk Autonomous Okrug-Ugra is the fourth leading region in Russia in the information technology (IT) sector. The overriding priority of the regional government of Khanty-Mansiysk is to develop its IT sector by forging sustainable partnership with India, which is the leader in the world of IT. As part of this initiative, Khanty-Mansiysk government is planning to set up Ugra Technology Park in Maharashtra. Further, we look forward to the active participation of Indian companies in the forthcoming IT Forum to be held in Khanty Mansiysk on June 8-9, 2016," remarked H. E. Mr. Aleksey Zabozyayev, Deputy Governor, Khanty-Mansiysk Autonomous Okrug - Ugra, Russia at an interactive meeting with the members of All India Association of Industries and World Trade Centre Mumbai on April 13, 2016.

H. E. Mr. Zabozyayev attended the interactive meeting with the top officials of his administration.

Besides IT sector, H.E. Mr. Zabozyayev also expressed interest to partner with India in sectors like telemedicine, mining and processing of quartz concentrate and timber industry. The Khanty-Mansiysk region has successfully implemented a pilot project on telemedicine to provide affordable healthcare to masses in the rural and remote areas of the region. The regional government wants to promote this model of healthcare delivery to other member countries of BRICS. Russia is a leading country in mining and processing of quartz concentrate and micropowder which are used in Nano electronics, optics, semiconductor and other parts used in the information technology industry.

Mr. Pavel Tsiporin, First Deputy Director of IT Department, Khanty - Mansiysk Autonomous Okrug-Ugra said, "India's leadership in information technology is well known. The government of Khanty - Mansiysk is exploring the possibilities of joint venture with India in producing hardware and software. One possibility is development of software for the Government of Russia."

Mr. Maxim Shushpanov, Deputy Director of Medical Center for Information and Analysis, Khanty -

Mansiysk Autonomous Okrug - Ugra informed that one of the priority of the Khanty-Mansiysk government is the provision of affordable medical services to its masses. In order to achieve this goal, the government is creating cost-effective and self-sustaining healthcare infrastructure by adopting cutting edge information technology in the regions of BRICS (Brazil, Russia, India, China, South Africa) countries.

Mr. Vijay Kalantri, President, All India Association of Industries said "In the next three years, bilateral trade between India and Russia would grow to \$12 billion from the present level of \$6 billion. Bilateral relationship between both the countries could enhance further with regular visits of Prime Ministers of both the countries and exchange of delegations. This would also bolster the cultural and trade ties of both the countries. Russia is strong in oil and gas, fertilizers, capital goods, defence etc. Information technology and healthcare industries are the emerging areas of co-operation between India and Russia. All India Association of Industries and World Trade Centre Mumbai would lead a delegation from India for IT Forum 2016.



H. E. Mr. Aleksey Zabozyayev, Deputy Governor, Khanty-Mansiysk Autonomous Okrug - Ugra, Russia extending formal invitation for the 8th International IT Forum 2016 to Mr. Vijay Kalantri, President, AIAI and looking on is Mr. Y. R. Warkerkar, Executive Director, WTC Mumbai at an interactive meeting organised by AIAI.

## Experts hail Budget FY17 for fiscal prudence and rural infrastructure thrust



Mr. M. S. Mani, Senior Director - Indirect Tax, Deloitte Touche Tohmatsu India Pvt. Ltd, Mr. Vijay Kalantri, President, All India Association of Industries, Mr. Ravinder Saroop, IRS, Commissioner of Central Excise & Service Tax, Large Taxpayer Unit Mumbai, Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai, Mr. Firoze B. Andhyarujina, Senior Advocate, High Court Mumbai, Mr. Dadi B Engineer, Senior Partner, Crawford Bayley & Co. on the sidelines of the panel discussion on 'Implications of the Union Budget 2016-17'

"Union Budget 2016-17 is a welcome balancing act of adhering to the fiscal prudence and at the same time addressing the infrastructure needs of the rural areas. The finance minister has taken various tax measures keeping in mind the interest of small tax payers, promotion of Make in India, simplification and rationalization of tax structure and other progressive goals," said Mr. Ravinder Saroop, IRS Commissioner of Central Excise & Service Tax Large Taxpayer Unit Mumbai at an interactive panel discussion on 'Implications of the Union Budget 2016-17' with special emphasis on direct and indirect taxes on 3rd March, 2016.

Mr. Saroop further pointed out that the budget has some welcome provisions like increase in allocation to the crop insurance scheme, relaxation of norms on foreign direct investment in sectors like pension, insurance, asset reconstruction etc.

Mr. Firoze B. Andhyarujina, Senior Advocate, High Court Mumbai welcomed some of the progressive

steps like increase in the turnover limit for small and medium enterprises under the presumptive taxation scheme and extension of this scheme even to professionals with turnover of less than Rs 50 lakh is welcome. He said this scheme would reduce the burden of maintaining books of account for professionals and SMEs falling under the said turnover limit. However, Mr. Andhyarujina was critical on the imposition of additional tax of 10% on recipients of dividend of more than Rs 10 lakh. He said this additional levy is against the canon of taxation as this would create a situation where the profits are taxed at three stages (one at the corporate level, second at the stage of distributing dividend and third at the hands of recipients [additional 10% tax]).

While praising the government's intention of bringing back the black money to the system by opening the compliance window scheme, Mr. Andhyarujina cautioned that the success of this

scheme depends on the method of valuation adopted to assess the undisclosed assets.

Mr. Andhyarujina also remarked that the government has not announced how it is going to spend the fiscal savings it made owing to the decline in the price of crude oil in the international market.

Mr. Dadi B Engineer, Senior Partner, Crawford Bayley & Co said, applauded the government for sticking to the fiscal deficit target of 3.5% and thereby maintaining fiscal prudence. He remarked that the hallmark of a good budget is that it should adhere to fiscal discipline, rationalize subsidies, and try to control inflation. He raised hope that the budget would reduce the huge number of pending litigations in various courts across the country.

Mr. M. S. Mani, Senior Director - Indirect Tax, Deloitte Touche Tohmatsu India Pvt. Ltd remarked that the budget has tried to rationalize and simplify the compliance procedure for tax payers. He pointed out that 95% of the tax provisions in the budget are aimed at rationalization. Giving some examples of the tax rationalization measures in this budget, Mr Mani pointed out to the reinstatement of the exemption of service tax in some key infrastructure sectors with retrospective effects. In another example, the government has listed all the services of statutory bodies like EPFO, IRDA, SEBI under exemption notice in order to clarify that their services would not be taxed.

Mr. Mani, however, expressed disappointment at the government's move to extend the period of limitation from one year to 2 years for excise duty payers and from two years to 2.5 years for service tax payers. The extension of period of limitation means the books of records has to be preserved for longer period of time. This imposes a onerous responsibility on tax payers, Mr. Mani remarked.

Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai remarked, "Through this budget, the government has tried to achieve the triple goals of supporting the rural economy, improving the ease of doing business and creating a non-adversarial tax regime. The budget has rightly provided renewed impetus to the rural infrastructure through increased budgetary allocation for irrigation, rural roads, electricity and so on while also maintaining policy momentum on its flagship programmes like Skill India, Digital India. We welcome the measures focused on the MSMEs like raising the turnover limit under Presumptive taxation scheme to rupees two crores, expanding the scope of duty drawback scheme, proposed amendment to the Companies Act to improve ease of doing business. The government has also taken some progressive reforms like relaxing Foreign Direct Investment (FDI) limit in pension, insurance sectors, reducing corporate tax for upcoming manufacturing companies, setting up Bank Board Bureau etc."

Delivering the vote of thanks for the budget, Mr. Vijay Kalantri, President, All India Association of Industries pointed out that this is the first time the union budget is addressing rural growth concerns after a gap of 13 years. He raised hope that the budgetary measures towards boosting rural infrastructure would bear fruits in the next one year. Speaking on the government's efforts to combat tax evasion, Mr Kalantri said tax authorities must encourage high value retail transactions to be conducted through cash and tax them at a nominal rate. He further suggested that the government must reduce tax rates across all sectors in order to ensure tax compliance.

## Europe's leading financial centre to strengthen ties with financial capital of India says H.E. Mr. Schneider



Mr. Vijay Kalantri, President, All India Association of Industries felicitating H.E. Mr. Etienne Schneider, Deputy Prime Minister and Minister of Economy, Grand Duchy of Luxembourg also seen are Mr. Ashok M. Kadakia, Hon. Consul of Luxembourg in Mumbai, H.E. Mr. Sam Schreiner, Ambassador of Grand Duchy of Luxembourg in India and Mr. Y.R. Warkerkar, Executive Director, World Trade Centre Mumbai.

We are here in India to explore the trends and opportunities for investments since the various schemes and programmes announced by the Indian government specially in the sectors like steel, logistics, automotive, Information Technology, communication, financial services and others areas of interest said H.E. Mr. Etienne Schneider, Deputy Prime Minister and Minister of Economy, Grand Duchy of Luxembourg at a meeting with All India Association of Industries (AIAI) and World Trade Centre Mumbai. Mr. Schneider, was accompanied by a 35 member high level delegation from Luxembourg.

Mr. Schneider said today the bilateral trade between Indian & Luxembourg is hardly US\$. 51 million and should be double in next 3years, as Luxembourg is growing at 5.2% and has a control on inflation and attracts second largest investments in Europe.

Mr. Schneider said, "We have very good infrastructure and we are able to supply auto

and auto components in the European region to various countries in Europe due to uninterrupted good logistics network of about 400 kilometer. We are well connected with the European ports such as Antwerp, Rotterdam and Amsterdam, which makes us important continent in the region for doing business."

Mr. Schneider said "We are one of the leaders in financial services and are looking at investment in India and that is one of the main objective for visiting India. We are here to explore possibilities of investment, joint ventures and technology transfer in various sectors." He further expressed that they had very excellent meetings in Delhi with the Ministry of Finance, Ministry of Industry and Commerce, Ministry of Railway and others.

Speaking on this occasion, Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre Mumbai, pointed out that this is the most opportune

time for foreign companies to invest in India as the domestic economy is growing at a strong pace, the government is improving the ease of doing business in the country and welcoming foreign investment in the manufacturing sector through 'Make in India' programme. The Indian government is also developing logistics and supply chain infrastructure in the country through the implementation of mega projects like the Delhi-Mumbai Industrial corridor. Considering that Luxembourg has some of the worlds-renowned steel companies and logistics companies, they can benefit by investing in India's infrastructure projects. Mr. Kalantri suggested companies from Luxembourg should invest in India now by taking advantage of the stabilized commercial real estate prices in the country and the governments Make in India projects.

The MoU signed between All India Association

of Industries (AIAI) and World Trade Center Mumbai with the Chamber of Commerce of the Grand Duchy of Luxembourg and Indian Business Chamber of Luxembourg, on this occasion in the presence of H.E. Mr. Etienne Schneider, Deputy Prime Minister and Minister of Economy, Grand Duchy of Luxembourg aims to further bilateral trade between the two regions.

The meeting was attended by Mr. Sumit Mullick, Chief of Protocol & Addl. Chief Secretary, Government of Maharashtra H.E. Mr. Sam Schreiner, Ambassador of Luxembourg in India and Mr. Ashok Kadakia, Honorary Consul General of Luxembourg in Mumbai, Ms. Rupa Naik, Executive Director, AIAI, Capt. Somesh Batra, Vice Chairman WTC Mumbai and Mr. Sharad Upasani, Vice Chairman WTC Mumbai and members delegation, industrialists, Government officials and other.

### AIAI says concerned authorities may be included in Act

We welcome the Real Estate Regulation Bill 2015 passed by the Government. This long awaited regulation was much needed besides it's intend to safeguard consumer interest the Bill brings in transparency, accountability and efficiency in the sector said Mr. Vijay Kalantri President, All India Association of Industries (AIAI).

According to Mr. Kalantri the Bill besides protecting the buyers from developers brings in the regulation in the sector.

The new bill will also severely alter the financing model of the real estate industry, as it makes it mandatory for developers to deposit 50 percent of the money collected from buyers in separate escrow account to cover cost of construction and land. And use that only for funding construction of the project hence prohibiting unaccounted money to be pumped into the sector.

Moreover the Bill brings in line developers promoting fair play in real estate transactions besides ensuring timely execution of projects.

Mr. Kalantri is also of the opinion that a regulation for concerned authorities issuing various clearances and permissions be included in the act.

## Celebrating the True Spirit of Womanhood



"Against all odds, women have risen up and come to the mainstream and have contributed immensely to society. Fifty per cent of India's population comprises women and if India is to be a superpower, it is only possible, if their involvement and engagement in various walks of life are promoted. More importantly, we must empower our less privileged sisters in the society", said the Honourable Pankaja Munde, Minister of Rural Development Women and Child Welfare Government of Maharashtra at an event organised by All India Association of Industries (AIAI), World Trade Centre (WTC) Mumbai and the Indo-French Chamber of Commerce (IFCCI) to celebrate International Women's Day on March 8, 2016 at the World Trade Centre Mumbai with the theme, 'FELICE....celebrating the elegance of womanhood'.

As a token of our support to the cause of 'Save the Girl Child', the World Trade Centre Mumbai presented a poem titled 'Haak' (in Marathi implying 'call for action') to the Honourable Minister. The poem was composed and recited by Ms. Gauri Prabhu.

On the occasion, Ms Laura Prasad, Secretary General, Indo-French Chamber of Commerce and

Industry (IFCCI) highlighted the importance of observing the day. She said that it is important for all women across cultures and in this case from France and India to connect, get empowered for the betterment of women's lives personally and professionally.

Ms. Rupa Naik, Executive Director, All India Association of Industries while addressing the august gathering of women from all walks of life, said, International Women's Day is all about celebration of various shades, expressions, and moods of women's creativity and their contribution to enrich, empower and enliven women's lives all over the world. She further remarked that creativity knows no boundaries; the event aims to reflect on progress made by women, to call for change and to accelerate the extraordinary talent which have transformed their lives and in journey have enriched the lives of millions.

A spellbound musical performance by Ms. Sunita Bhuyan, a well acclaimed violinist, Ms. Merlin Dsouza, pianist and Ms. Swarupa, percussionist signifying '3E' which stands for empower, enable, enrich, enthralled the audience who were swaying and tapping to the beats of the music.

The event was marked by knowledge sessions on finance, yoga and an extravaganza featuring dance sequences and music performances by renowned artists. 'Shakti Cult' a Bharatnatyam classical dance was put together by Ms. Revathi Srinivasraghavan, Founder and Director, Nrityaranjani Fine Arts Academy and her disciples, representing the Bhakti movement. The dance depicted the goddess blessings and imparting of tolerant qualities along with the compassion of motherhood. The students of Ms. Debi Basu presented 'Ardhanariswar' an Odissi performance celebrating the one-ness of the masculine and the feminine – of creation and destruction, of beauty of the natural world

or prakriti and the objectivity and abstraction of Purusha (meaning the cosmic man or self)

A remedy to attain true happiness was revealed by Ms. Reena Doshi, a noted yoga instructor through her lecture on the holistic approach to wellness by means of yoga and teachings from Indian scriptures.

For empowering and guiding women towards financial security, Ms. Masarrat Fakhri, Allegiance Advisors Pvt Ltd, an expert on financial planning and investments presented the means to achieve it in her talk on investments.



AIAI & WTC celebrates the true spirit of Womanhood

## Fiscal & Monetary Policy – Combination for Better Growth

The Economic Survey predicts sustainable growth of 7 – 7.5% scaling over to 8% growth in coming years, and further consolidation of fiscal deficit to 3.5%, there is a need for the combination of Fiscal & Monetary Policy for better growth, said Shri Vijay Kalantri, President – All India Association of Industries (AIAI).

AIAI further feels in view of inflation below 5%, wholesale Price Index being negative, there is enough room for the relaxation of Monetary Policy and reduction in interest rate to give impetus to growth.

AIAI further feels there is a need for increase in public investment in view of private investment being slow due to stressed and global slow down.

The Economic Survey clearly gives confidence to the foreign investments in view of Government's Fiscal Consolidation.



## Investors in social enterprises must wait for seed to grow



Mrs. Nirmala Kandalgaonkar, Chairperson, Vivam Solid Waste Management Pvt. Ltd., Mr. Priyank Tiwari, Associate Director, Sankalp Forum, Intellectap, Mr. Jayant Nataraju, Co-founder & Director, Sampurn(e)arth Environment Solutions, Ms. Aarti Wig, India Country Director, Yunus Social Business, Mr. Firoze B. Andhyarujina Sr. Advocate, Supreme Court, Ms. Rupa Naik, Executive Director, AIAI, Ms. Khyati Naravane, Asst. Director – Trade Promotion, WTC Mumbai, Dr. Madhav Sathe, Jt. Hon. Secretary, The Bombay Mothers & Children Welfare Society, Ms. Chhaya Sehgal, Founder and CEO, The Winning Edge, Mr. Prerit Rana, Co-Founder & CEO, Agrasar, Ms. Mamta Borgoyary, Chief Executive Officer, FXB India Suraksha, Ms. Mrinalini Kher, Hon. Secretary & Trustee, Kherwadi Social Welfare Association, Mr. Sudhir Deshpande, COO, Ecoad and Mr. James Rajanayagam, Project Consultant, Centre for Social Innovation & Entrepreneurship, IIT Madras during release of Handbook on 'Sustainability through Social Entrepreneurship'

"There is tremendous opportunity to make profitable business venture in social sectors like healthcare, education, livelihood, affordable housing, renewable energy etc. Various kinds of investors like venture capital funds, private equity funds, development organizations like World Bank, philanthropic bodies like Bill and Melinda Gates Foundation are eager to fund viable business ideas in social sectors. Many social entrepreneurs have proved that they can make profitable business by addressing social issues. Therefore, people must consider social entrepreneurs as professionals addressing social causes through innovative business models rather than social activists, said Mr. James Rajanayagam, Project Consultant, Centre for Social Innovation & Entrepreneurship, IIT Madras at the one-day interactive panel discussion on 'Sustainability through Social Entrepreneurship' organised jointly by All India Association of Industries (AIAI) and World Trade Centre Mumbai on March 17, 2016.

Ms. Mrinalini Kher, Hon. Secretary & Trustee, Kherwadi Social Welfare Association opined that social entrepreneurship is a lucrative profession where people can earn a decent living while also contributing considerably to the welfare of the society and environment.

Ms. Chhaya Sehgal, Founder and CEO, The Winning

Edge said that every responsible entrepreneur is a green entrepreneur (if they conduct business in an environment-friendly way) and social entrepreneur (as they offer employment opportunities).

Speakers also highlighted the need for long term investment to support social enterprises, which take considerable time to become profitable. "The biggest challenge for social enterprises is accessing long term capital. Social outcomes like skilling rural women, generating – employment opportunities for them takes several years and hence investors cannot expect returns in a short period of time," said Ms. Mamta Borgoyary, Chief Executive Officer of FXB India Suraksha, which provides developmental assistance to marginalized children, families and communities in rural and urban India.

According to Ms. Borgoyary, it takes at least three years to transform illiterate women in villages into self-driven entrepreneurs. "Social enterprise is a long gestation business and hence it needs investors who can commit capital without expecting quick returns. Launching business ventures in social sectors is akin to sowing the seeds for a better society in future," Ms. Borgoyary added.

Mrs. Nirmala Kandalgaonkar, Chairperson, Vivam Solid Waste Management Pvt Ltd. pointed out

how she provided livelihood to hundreds of uneducated rural women by setting up solid waste collection and processing facilities in several villages of Maharashtra.

Dr. Madhav Sathe, Jt. Hon. Secretary, The Bombay Mothers & Children Welfare Society explained how social businesses can become profitable by adopting innovative financing model and cost-effective business strategy. Dr. Sathe emphasized that social entrepreneurs must adopt flexible business models which can be adopted both in urban and rural areas. Also, he suggested that the central and state government must invest on capacity building for the officials at gram panchayat so that they can effectively collaborate with social entrepreneurs in devising viable business models.

Ms. Aarti Wig, India Country Director, Yunus Social Business opined that social entrepreneurship is all about finding a middle path between profitability and sustainability of the planet. Entrepreneurs who focus on social welfare maximization, rather than profit maximization, have ample opportunity to make sustainable business. She explained this by giving an example of how banks that lend to underprivileged people are running successful businesses compared to banks that lend to only well-to-do borrowers.

Ms. Rupa Naik, Executive Director, All India Association of Industries said, "Social entrepreneurs



have a direct impact on society for a specific cause which benefits large sections of society. They have a mission which is very noble but a vision which is large. So besides, entrepreneurs, start-ups and MSMEs, these social entrepreneurs need to be recognized for their contribution which goes unnoticed simply because they are misunderstood as activists".

On the occasion a Handbook 'Sustainability through Social Entrepreneurship' was released.

During the event, social entrepreneurs, academicians and representatives from consultancy organizations expressed their views on how social businesses can address social and environmental issues while also providing employment opportunities for youths.



## Creating and protecting trademarks can transform MSMEs into MNCs



Ms. Rupa Naik, Executive Director, AIAI, Dr. Vidya Sravanthi, Managing Director, Asmitha Microfin Ltd, Ms. Meenal Patole, CEO & MD Agora Microfinance India Ltd, Mr. R. A. Tiwari, Deputy Registrar of Trade Marks, Shri O.P. Gupta, IAS, Controller General of Patents, Designs & Trade Marks & Registrar of Geographical Indications, Mr. Vijay Kalantri, President, AIAI, Mr. Sankar Chakraborti, CEO, SMERA Ratings Ltd, Mr. Y.R. Warkerkar, Executive Director, WTC Mumbai, Mr. PSN Murthy, Assistant General Manager, Micro Units Development and Refinance Agency Ltd (MUDRA) while releasing the knowledge paper on 'Impact of Microfinance in Financial Inclusion'

"Maharashtra is the leading industrial state in the country and the MSMEs in the state are highly innovative and enterprising. The MSMEs must take advantage of the Madrid Protocol and protect trademarks of their products and services in 97 member countries by filing a single application in the Indian patent office. Protecting the trademark is a way of growing one's business and it is the pathway for MSMEs to become multinational companies. Creating and protecting the brands of Indian companies is a pre-requisite for the success of Make in India programme," said Shri O.P. Gupta, IAS, Controller General of Patents, Designs & Trade Marks & Registrar of Geographical Indications while delivering keynote address at the event on 'First in Series of 'Make in India' on Protecting Brands: Worldwide with the Madrid System' at the World Trade Centre Complex, Mumbai on May 4, 2016. The event was jointly organised by All India Association of Industries (AIAI) and World Trade Centre Mumbai.

Mr. R. A. Tiwari, Deputy Registrar of Trade Marks, informed that just by filing application in the Indian patent office, domestic companies can register their trademark in other member countries of

the Madrid Protocol. India became a member of the Madrid Protocol System in April 2013 and the system came into effect in July 2013. However, so far the Indian patent office received only 385 applications from Indian companies to register their trademarks in the member countries, Mr. Tiwari added.

The Indian patent office has computerized the entire process for filing the application so that companies can register their trademark in foreign countries at minimum cost and efforts. Similarly, foreign companies can use the Indian office to protect their trademark in India. Mr. Tiwari pointed out that the Indian Patent Office has received around 12,000 applications from foreign companies to protect their trademark in India.

Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre Mumbai remarked, "Patent protection and access to finance are related issues as companies that own patented products have greater ability to raise credit from financial institutions. The session would create awareness among MSMEs on the importance of patenting to unlock their true business value."

Mr. Kalantri also emphasised that the legal system in the country should be strengthened to handle the ever-rising complexity of patent regime.

### Session II- Cost of microcredit set to decline in next five years

"The Past models of microfinance companies were all brick and mortar based on branches and self help groups. The future could be disruptive with past success being no guarantee of future survival. Interest rate (for microcredit) is expected to fall to 15% in the next five years from the current level of over 20%," remarked Mr. PSN Murthy, Assistant General Manager, Micro Units Development and Refinance Agency Ltd (MUDRA) while delivering keynote address at the event on 'First in Series of 'Make in India' on Microfinance: A Game Changer for Financial Inclusion'.

Mr. Murthy raised hope that the Indian microfinance industry is in the threshold of disruptive changes with the adoption of cutting edge information and communication technology. Soon, microfinance companies in India would graduate to the next stage where business is conducted without opening branches, which is witnessed in China, he added.

During the event, WTC Mumbai released a knowledge paper on 'Impact of Microfinance in Financial Inclusion'.

Dr. Vidya Sravanthi, Managing Director, Asmitha Microfin Ltd agreed that increasing technology adoption would reduce the operational cost of microfinance companies and thereby enable them to cut lending rates. She also raised hope that the microfinance would be a great social movement to eradicate poverty in rural areas.

Mr. Sankar Chakraborti, CEO, SMERA Ratings Ltd remarked that the major challenge faced by the industry is high cost of distribution of loans as most of the microcredit borrowers are located in remote villages. However, there is scope for reduction in the cost because of digital banking,

Mr. Chakraborti opined.

Ms. Meenal Patole, CEO & Managing Director, Agora Microfinance India Ltd pointed out that the biggest challenge for microfinance lenders is the availability of long term financial support from commercial banks and development finance institutions. "Financial institutions must offer long term financial support to microcredit companies as microfinance is a long gestation business which take years to generate profits," Ms. Patole highlighted.

In order to create a greater impact on the society, Ms. Patole suggested that large financial institutions like SIDBI must work together with microfinance companies by creating district level forums.

Mr. Vijay Kalantri, President, All India Association of Industries remarked, "Patent protection and access to finance are related issues as companies that own patented products have greater ability to raise credit from financial institutions. The session would surely create awareness among MSMEs on the range of services offered by microfinance companies".



Shri O. P. Gupta, IAS, Controller General of Patents, Designs & Trade Marks & Registrar of Geographical Indications felicitated by Mr. Vijay Kalantri, President, AIAI

## South Korea to be the next entrant in India's Smart Cities Mission



Mr. Soungun Kim, Consul General of the Republic of Korea, Mr. Vijay Kalantri, President, AIAI, Mr. Hyochoon Yoon, Managing Director, KOTRA, Mr. Jaeho Jeon, Chairman, Financial News, Mr. Bok Wan Yang, Vice Governor, Gyeonggi Province.

"Gyeonggi Province is known for its information technology (IT), Biotechnology, semi conductors and other industries. With cutting edge technologies we are planning to create Smart Cities for the future generation by implementing the concept of 'zero cities' with zero waste, zero carbon emissions, zero pollution, zero cost for start-ups," said Mr. Bok Wan Yang, Vice Governor, Gyeonggi Province at the Korea India Business Partnership Forum 2016 on 'Bilateral Co-operation for India Smart City Programme'. The forum was jointly organised by All India Association of Industries (AIAI), Korea Trade-Investment Promotion Agency (KOTRA) and supported by World Trade Centre Mumbai.

Mr. Min-cheol Lee, Director General, Ministry of Trade, Industry and Energy (MOTIE), Government of The Republic of Korea, said that South Korea is highly impressed with the performance of Indian manufacturing and service industry which indicates that "India has a potential to grow at 8-9% and beyond". The Comprehensive Economic Partnership Agreement (CEPA) between the Republic of Korea and India is important for

accelerating economic development; desiring to promote mutually beneficial economic relations.

"Supported with the young population and coupled with the huge domestic demand, India offers an incredible investment market across sectors and is also ranked 3rd after the US and China in terms of purchasing power. LG Chemicals Ltd., is planning to invest US\$ 200 million in Gujarat soon," informed Mr. Soungun Kim, Consul General of the Republic of Korea.

Delivering the Presidential opening remarks at the forum, Mr. Hyochoon Yoon, Managing Director, KOTRA highlighted how the ancient civilisational links between both the countries have been substantively enhanced in contemporary times. Especially, he pointed out to the successful visit of the Prime Minister of India to Seoul in May 2015 when the bilateral relationship between India and the Republic of Korea was upgraded to a 'Special Strategic Partnership'.

"I am confident that our partnership will expand and diversify further in strategic areas of our mutual complementarities and convergences to

benefit the government's plans of Make in India, Smart Cities, Clean India, Digital India, Skilling India, Start up India," Mr. Yoon added.

The main purpose of the event was to provide a business platform for the Infrastructure Industry of both countries to come together and explore collaboration opportunities. The forum is expected to promote trade, investment and technical co-operation and further boost the relationship between South Korea and India.

Mr. Vijay Kalantri, President, AIAI, said, "India has overtaken China to become the world's fastest growing economy by clocking 7.5% GDP growth for the March quarter indicating that economy is clearly on "an upward path". Therefore, he emphasised that this is the right opportunity for South Korea to invest in India. Also the government's focus on improving the ease of doing business has been clearly, accelerating investments in infrastructure, both hard infrastructure and soft infrastructure. This stands out as a key priority to minimize government and maximize governance. The government has initiated plans for 100 smart cities. US has adopted 3 smart cities and we would like South Korea to adopt 5 smart cities. It is estimated that around 250 million people from the rural areas will migrate to the cities in the coming 10 years."

Smart cities are a big opportunity which should be looked at by South Korea as there will be just one nodal agency for such projects, Mr. Kalantri added. He also urged South Korea to use India as a hub for exports.

The forum was also supported by Ministry of Trade, Industry and Energy, Government of The Republic of Korea, Consulate General of The Republic of Korea, Mumbai and The Global Inspiration.

### Events Supported by AIAI

- 2<sup>nd</sup> Annual International Smart Cities India 2016  
Date: 11-13 May, 2016  
Venue: Pragati Maidan, New Delhi
- Belt and Road Summit 2016  
Date: 18<sup>th</sup> May, 2016  
Venue: Hong Kong Convention and Exhibition Centre, Hong Kong
- 8<sup>th</sup> edition of G-Fair 2016 Korea, (Korea Sourcing Fair)  
Date: 18-19 May, 2016  
Venue: Hotel Sahara Star, Mumbai
- Business Meet organized by Rajasthan State Industrial Development and Investment Corporation (RIICO)  
Date: 9<sup>th</sup> June, 2016  
Venue: Hotel Taj Mahal Place
- 11<sup>th</sup> AMTEX 2016- Exhibition  
Date: 8-11 July, 2016  
Venue: Pragati Maidan, New Delhi
- Smart Cells Network Summit 2016  
Date: 22<sup>nd</sup> July, 2016  
Venue: Courtyard Marriott, Mumbai
- Smart ITC India Conclave 2016  
Date: 11<sup>th</sup> August, 2016  
Venue: Le-Meridien, New Delhi
- PVC2D 2016 Exhibition And Conference On Pumps, Valves, Compressors, Controllers, Drivers and Motors  
Date: 26-28 August, 2016  
Venue: Chennai Trade Centre, Chennai
- Conference on the Real Estate laws (Regulation and Development) Act 2016  
Date: 31<sup>st</sup> August, 2016  
Venue: Mumbai
- 2<sup>nd</sup> Annual Korea India Business Week  
Date: 26 Sep - 2 Oct, 2016  
Venue: Seoul and Chungbuk
- The Big 5 Construct India 2016  
Date: 28-30 September, 2016  
Venue: Bombay Exhibition Centre, Goregaon
- IFAT INDIA 2016 – India's Leading Trade Fair For Water, Sewage, Refuse and Recycling  
Date: 28-30 September, 2016  
Venue: Bombay Exhibition Centre

# एक्ज़िम बैंक में, हम आपके बिज़नेस को दुनिया भर में ले जाते हैं

मगर इससे पहले, किस देश में, कैसे पहुंचना है,  
हम यह मार्गदर्शन भी करते हैं। भारत के कई बिज़नेस अब तक  
हमारी सेवाओं का लाभ उठा चुके हैं।

यदि आप भी अपने बिज़नेस को दुनिया में फैलाना चाहते हैं,  
तो हमसे सम्पर्क करें।

विदेशी निवेश वित्त | परियोजना निर्यात |  
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## Maharashtra most conducive for investment



Mr. Subhash Desai, Minister of Industries, Government of Maharashtra (centre) inaugurating the eighth edition of the G-Fair 2016 exhibition in Mumbai. Also seen in the photo are Mr. Soungun Kim, Consul General of the Republic of Korea, Mr. Bok Wan Yang, Vice Governor, Gyeonggi Province, Mr. Jongil Yun, CEO Gyeonggi Province Medium Business Centre, Korea, Mr. Vijay Kalantri, President, All India Association of Industries (AIAI).

Mr. Subhash Desai, Minister of Industries, Government of Maharashtra inaugurated the eighth edition of the G-Fair 2016 exhibition in Mumbai which was attended by over 120 companies and over 186 delegates from South Korea.

Mr. Desai remarked, "Maharashtra being the economic and commercial capital of India and a premier industrial state, South Korean companies such as LG Group, Hyundai, Posco, Daewoo have set up operations here. We would give all possible support and assistance to such companies looking at investment in Maharashtra. We have reduced the number of statutory permissions and created a conducive atmosphere for investments."

G-Fair Mumbai-Korean Products Exhibition 2016 is an international trade fair that is held on 18-19 May 2016 in Mumbai. Over 5,000 delegates from various countries participated in B2B meetings at the event.

Mr. Soungun Kim, Consul General of the Republic of Korea said LG Chemicals Ltd. is planning to invest US\$ 100 million in Maharashtra and US\$ 200 million in Gujarat soon.

Mr. Kim further remarked that India offers an incredible investment market across sectors and is also ranked 3rd after the US and China in terms of purchasing power.

On the eve of the G-Fair Exhibition 2016, All India Association of Industries (AIAI), with the support of WTC Mumbai and other partners, organised the Korea India Business Partnership Forum 2016 on 'Bilateral Co-operation for India Smart City Programme' on May 17 2016.

Mr. Bok Wan Yang, Vice Governor, Gyeonggi Province, South Korea remarked, "Gyeonggi Province is known for its information technology (IT), biotechnology, semi conductors and other industries. With cutting edge technologies we are planning to create Smart Cities for the future generation by implementing the concept of 'zero cities' with zero waste, zero carbon emissions, zero pollution, zero cost for start-ups."

**“ LG plans to invest  
US\$100 mn in  
Maharashtra ”  
- Mr. Kim**

Leading business and administrative officials of South Korea, including Mr. Min-cheol Lee, Director General, Ministry of Trade, Industry and Energy (MOTIE), Government of The Republic of Korea, participated at the forum.

Mr. Lee said South Korea is highly impressed with the performance of Indian manufacturing and service industry which indicates that "India has a potential to grow at 8-9% and beyond". The Comprehensive Economic Partnership Agreement (CEPA) between the Republic of Korea and India is important for accelerating economic development; desiring to promote mutually beneficial economic relations.

## Fastest growing city of South Korea eyes investment opportunity in Maharashtra



Mr. Young-rok Yoo, Mayor of Gimpo City felicitated by Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) at an interactive meeting.

"Companies in Gimpo city, which is one of the fastest growing cities in South Korea, are planning to invest in manufacturing of elevators, buses, paints and many other sectors in India. Especially, we are interested to create strong partnership with the business community in Mumbai, which is the financial capital of India. We are impressed with the pace of growth of the Indian economy, especially the business vibrancy of Mumbai. Now, we have come to India to explore more trade and investment opportunities available for South Korean companies in India. We would visit Mumbai again next year to bolster collaboration in trade and investment," said Mr. Young-rok Yoo, Mayor of Gimpo City in Gyeonggi Province of South Korea at an interactive meeting organized jointly by All India Association of Industries (AIAI) and World Trade Centre Mumbai.

During the meeting, AIAI and WTC Mumbai each signed a separate memorandum of understanding (MoU) with The City of Peace and Culture, GIMPO and The Gimpo Chamber of Commerce & Industry. Under the MoUs, these organizations would promote bilateral commercial co-operation through dissemination of trade information, exchange of trade delegation and other trade facilitation activities.

Mr. Nam-Jun Kim, Chairman, Gimpo Chamber of Commerce and Industry said "South Korea has improved the ease of doing business considerably and we expect similar level of ease in setting up business in India as well. We have considerable business relationship with countries like Vietnam, China and now we want to explore opportunities in India as well."

Mr. Vijay Kalantri, President, All India Association of Industries said "India is a huge market for LED technology and considering your leadership in this technology, we extend our support to South Korean companies proposing to invest in LED sector in Maharashtra. India's annual bilateral trade with South Korea stands at US\$ 18.13 billion today and it has potential to double in the next five years considering collaboration in other areas like automobile, elevators, information technology, steel, shipbuilding and so on. South Korean companies can make India an export base by taking advantage of the low cost of labour, Indian government's ambitious initiatives like improving the easing of doing business, Make in India campaign and so on,"

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## ZED model to enable Indian MSMEs join global value chain



Mr. Vijay Kalantri, President, AIAI, Mr. Y. R. Warekar, Executive Director, WTC Mumbai, Mr. Jagmohan S. Bhogal, Cdr. (Retd.), Senior Director, National Accreditation Board for Education & Training (NABET), Ms. Vanita Yadav, Director, NABET share dais at an awareness workshop for industry associations and MSMEs on improving competitiveness

“Micro Small and Medium Enterprises (MSMEs) are the prime beneficiaries of Government of India’s ambitious Make in India programme and they can improve their export performance only by upgrading their quality standards. MSMEs can join the global supply chain by supplying ancillary goods to multinational companies (MNCs). In order to become the preferred supplier to MNCs, MSMEs must adhere to strict quality standards and good corporate practices. In this regard, the National Accreditation Board for Education & Training (NABET), under Quality Council of India (QCI), is implementing the ZED Maturity Assessment Model for rating the quality and environmental performance of MSMEs. The entire process for applying for this rating is made simple and paperless,” said Mr. Jagmohan S. Bhogal, Cdr. (Retd.), Senior Director, NABET at an awareness workshop for industry associations and MSMEs. The workshop was jointly organized by the All India Association of Industries (AIAI), World Trade Centre Mumbai and QCI.

During the workshop, Mr. Bhogal explained the key features and importance of ZED (Zero Defect Zero Effect) rating model, Lean Manufacturing Competitiveness Scheme and accreditation for Business Membership Organizations (BMO). Mr. Bhogal informed that the Lean Manufacturing Competitiveness Scheme has so far been implemented in 150 MSME clusters across India and in future more clusters would be encouraged to adopt it.

Mr. Bhogal emphasized the importance of accreditation for Business Membership Organizations (BMO). He said BMOs play an important role in linking MSMEs with the government. In future, Government of India would implement most of its policies for MSMEs through accredited BMOs.

In her remarks, Ms. Vanita Yadav, Director, NABET informed that an accredited BMO has many advantages over an unaccredited entity. Some of the advantages are availability of concessional financial assistance from IDBI and SIDBI, credible recognition from international organizations, better performance and improved service quality for their member organizations.

Mr. Vijay Kalantri, President, AIAI said, “We need a simplified and paperless procedure to apply for accreditation and quality standard services. Quality standards have assumed lot of importance in the context of the announcement of the policy on Intellectual Property Rights (IPR) by the Government of India. MSMEs must adhere to strict quality standards in order to improve the market share for their goods and services globally. Many companies became uncompetitive in the global market because of their inability to maintain quality standards. WTC Mumbai is happy to organize this workshop and we can plan similar events in other parts of Maharashtra, Goa, Jaipur, Bhubaneswar to create awareness about quality standards among MSMEs in these regions,”

## Maharashtra govt wants private companies on board to achieve its skill development target



Ms. Rupa Naik, Executive Director, AIAI, Shri Mahadev Naik Hon. Minister for Industries, Co-operation, HT & C and Social Welfare, Government of Goa, Mr. Vijay Kalantri, President, AIAI, Shri. Deepak Kapoor, IAS, Principal Secretary, Skill Development and Entrepreneurship Department, Government of Maharashtra, Mr. Y. R. Warekar, Executive Director, WTC Mumbai

With a target of training 45 million people in the next five years, the Maharashtra government is now aggressively looking to tie-up with the private companies to train youngsters in vocational training.

So far, the state government has signed 19 Memorandum of Understandings (MoU) with top companies, which include Tata Group, Bharat Forge, L&T, ICICI, to name a few to achieve the ambitious number of skill training. Calling for major collaboration with the Indian industry as their main focus, Mr. Deepak Kapoor, Principal Secretary, Skill Development and Entrepreneurship, Government of Maharashtra said that partnering with the private companies for the modernization of Industrial Training Institutes (ITIs) is also on cards. "There are 900 registered ITI's – the names and infrastructure is there, but what about quality of training? We want the industry to partner with

us for the curriculum that is suited for their needs so that placement can be achieved," said Kapoor in his key note speech at a seminar titled Make in India and Skilling India organised by the All India Association of Industries (AIAI) and World Trade Centre (WTC) Mumbai.

Maharashtra has 2.44 lakh micro, small and middle size companies, employing 30 lakh people and around 62 lakh establishments employing 1.30 crore people. The state government is also making online registration process for the government would soon introduce an online process for private companies to enroll for Maharashtra State Skill Development Society's skilling centres as part of the Pramod Mahajan mission program. "The registration will be seamless, no paperwork and we are providing financial grants in this skilling initiative. The mistrust between the state government and industry has to be removed

to achieve the Skill India Maharashtra target," explained Mr. Kapoor.

The IAS officer pointed out that time has come to change the mindset and uplift the skilled people, who are today at the bottom of the pyramid. "We want to partner with the industry to train people, certify them and offer them jobs," he added.

Like Maharashtra, Goa too is working hard on its skill development projects. Mr. Mahadev N. Naik, Minister for Industries, Co-operation, HT&C and Social Welfare, Government of Goa, told the seminar that the government is aiming to generate 50,000 jobs in the next five years by imparting vocational training to women and youth in sectors like nursing and handicrafts. "Goa employs 90,000 people in its industry, but 50 per cent of them are from outside states because of deficiency of skilled workers in the state. We will change this soon," he added.

Mr. Vagish Sharma, Analyst-Udaan Program Development, National Skill Development Corporation (NSDC) suggested that state governments across the country must implement a skill development programme on the lines of Udaan – a Rs 1,000 crore grant scheme, which is being implemented in Jammu & Kashmir. "It has transformed the future of 30,000 youngsters in the border state with the support of leading companies such as KPMG, Accenture, and Infosys with 100 per cent placements," he stated.

On the other hand, Mr. Sunil Parekh, well-known international success coach, stated that time has come for change in the mindset of the employers, training institutes and the youth to address the issue of skill deficiency. "There is a communication

gap between students, employers and the industry. No wonder there is a poor participation of the industry in skill development. The challenge is also to mobilise students towards developing their skills. But the bottom-line is – we need to change our mindset on how we treat people, who certain jobs like welding, plumbing, cooking etc."

India can become a global manufacturing hub if it trains people in core skills as well as satellite (lean) skills, opined Mr. Jagmohan S. Bhogal, Cdr. (Retd), Senior Director, National Accreditation Board for Education and Training, Quality Council of India. "Zero defect zero effect rating must be given to MSMEs to empower them to join the global value chain. Along with core technical skills like plumbing, welding, satellite skills like lean skills (reducing wastage), quality skills, design and simulation, certification are also necessary. Global standards for skill development (for training providers ISO 29990, for assessment bodies ISO 17024) are key if India aspires to become a global design and manufacturing hub," he added.

Mr. Vijay Kalantri, President, AIAI said, "PM Narendra Modi has set a vision for skilling the youth of the country and now the state governments should take this forward by reviving the skilling institutions that are closed because of certain reasons.

All India Association of Industries would extend all possible support to the Government of Maharashtra in effectively implementing its skill development programme. Skilling India also means developing new clusters and training local people for manufacturing goods at each and every village," he added.

## Mauritius opens doors for Indian companies in biggest ever investment drive



Ms. Rupa Naik, Executive Director, AIAI, Mr. Deven Maulloo, Director-Conference, Capt. SomeshBatra, Vice Chairman, WTC Mumbai, Mr. Deepak Vasantryo Kesarkar, Minister of State Dept. of Finance, Rural Development, Planning, Govt of Maharashtra, Hon' Raj Rampartab, Member of Parliament, Parliamentary Private Secretary, Mauritius, and Incharge, Development Desk at Prime Minister's Office Mauritius, Ms. B. K. Napaul, Officer-in-Charge, Consulate of the Republic of Mauritius, Mr. S. K. Chadda, Chief Strategical Advisor & Secretary General, IMTCFF, Mr. Pritpal Singh Pannu, President, IMTCFF during the Run-up Event organized for India-Mauritius Global Partnership Summit 2016

India and Mauritius inched towards a closer economic partnership as the country opened its doors for 10 top economic sectors to Indian entrepreneurs.

The first ever India-Mauritius Global Partnership Summit 2016 to be held between July 23-28 in the island country is the biggest initiative to boost trade between the two countries. Promoting the Summit across India in terms of seminars and road shows India-Mauritius Trade and Cultural Friendship Forum is estimating 250 Indian delegates to join the 150 African continent participants to forge business alliances.

"Mauritius is a business-friendly nation and this Summit is a big opportunity for Indian entrepreneurs as it would open a gateway to Africa and enable them to develop their business," stated Mr. Deepak Vasantryo Kesarkar, Minister of State, Dept. of Finance, Rural Development, Planning, Govt. of Maharashtra. He was speaking at the Summit's run-up event held today at the World Trade Centre, Mumbai.

Stating that his country is developing very fast, Mr. Raj Rampartab, Member of Parliament,

Parliamentary Private Secretary, Mauritius, and Incharge, Development Desk at Prime Minister's Office Mauritius, said that Indian companies must come to his country with an aim to look beyond. "We are in the strategic position vis-à-vis the African continent and we also have the necessary trade treaties," he added.

Let's talk business, is the theme of this Summit. Mauritius has grown from US\$200 economy from the '70s to a US\$9,300 economy now. Tourism counts for 7.5 per cent of its GDP, financial services will be 17 per cent in next 4 years and progressive farming is 2.9 per cent. ICT and BPO are the pillars of their economy. "The Summit is a people-to-people meeting. Mauritius is on top of ease of doing business and entrepreneurs can set up a company within three working days," explained Mr. DevenMaulloo, Director-Conference.

70 per cent of the island country's business comes from off shore, which has 17,000 companies in the fray and more coming. "Indian businesses must know that Mauritius is an important regional player through its membership of two major African blocks - South African Development Community (15 African countries) and Southern African states

and Common Market for Eastern and Southern Africa (19 African countries). There are no trade barriers between us and this way Indians can look outbound," insisted Mr. Maulloo.

Indian investors are also shown the crucial US\$ 2 billion project of Heritage City. In the country's smart city initiative, Indians are being given a priority. "Many foreign universities have opened in

Mauritius and Mr. Maulloo felt that since Mauritius has 25,000 working graduate population, Indian universities must set shop there soon and can even plan vocational and technical training centres," concluded Mr. Maulloo.

Work, Stay and Play – that's the message Mauritius is sending to Indian investors.

### Mauritius, at a glance

- Income tax, corporate tax and VAT at 15 per cent
- No capital gains tax
- Duty Free and VAT free facilities for goods and equipment imported in Freeport zones
- Tax holiday over 8 years under Smart Cities Scheme
- Incorporation of a company in 3 working days
- Bursting ocean economy

### Agreements of Co-operation January- June 2016

#### All India Association of Industries signed Memorandum of Understanding (MoU) with:

- Turkish Indian Chambers of Commerce & Industry (TICCI) (January 23, 2016)
- The Confederation of Businessmen and Industrialists of Turkiye (TUSKON) (January 23, 2016)
- BC-India Business Network (BCIBN) (February 05, 2016)
- Pragmathink Consulting Pvt. Ltd. UK (January 12, 2016)
- Chamber of Commerce of the Grand Duchy of Luxembourg (March 03, 2016)
- Indian Business Chamber of Luxembourg (IBC) (March 04, 2016)
- The City of Peace and Culture, GIMPO South Korea (May 19, 2016)
- GIMPO Chamber of Commerce and Industry (May 19, 2016)

#### The signing of MoU shall encourage and promote in accordance with their respective laws and regulations co-operation between the two Associations which includes:

- Exchange of trade and investment related information in order to promote international trade and investments.
- Exchange of business proposal for joint ventures, collaborations and technology transfers.
- Promote the exchange of trade mission between the two countries and set up business contacts.
- Exchange of publications and information of bilateral trade, foreign trade and investment policies of their respective countries.
- Exchange of trade delegations.
- To regularly exchange information and help organise exhibitions and international fairs and encourage their members in participating in such events.



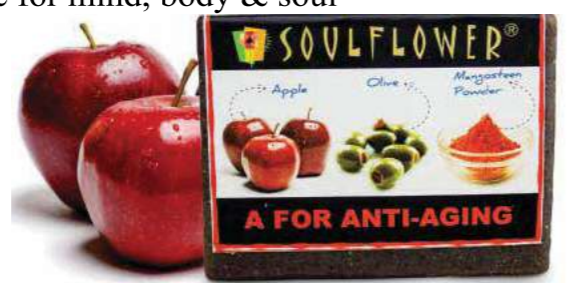
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## Can GST protect India post Brexit turmoil?

### Experts want India to offset any adverse impact of Brexit by passing the GST in the upcoming monsoon session



Mr. Abhishek A Rastogi, Director, Tax & Regulatory Service, PwC, Ms. Rupa Naik, Executive Director, AIAI and Mr. Firoze Andhyarujina, Sr. Advocate, Supreme Court

Even as global markets plunged following Britain's exit from the European Union, the sentiment in the financial capital of India was – How will it impact India? At a workshop in the city, experts felt that passing the GST in the Rajya Sabha will be the best way to tackle post Brexit uncertainty in India.

"The GST network is ready; the IT infrastructure to support the regime is in place. There is a likelihood that the GST Bill can also be passed by at least 50% of the state governments. However, the real test would be the passage of the bill in the Rajya Sabha," remarked Mr Abhishek A Rastogi, Director, Tax & Regulatory Services, PricewaterhouseCoopers (PwC) at the Make in India Fourth in Series Workshop on 'Implications of GST – Industry Perspective' organised jointly by AIAI and WTC Mumbai, supported by IDFC.

Speaking about the pros and cons of the GST regime, he stated that the government has included various provisions to make the GST regime tax-payer friendly, reduce litigation, transfer of unutilised input tax credits and so on. In fact, the Integrated Goods and Services Tax (IGST) is the most innovative and appropriate model for a federal country like India. However, there are some areas of concerns which include valuation of barter transactions, definition of some transactions, he pointed out.

Mr Firoze B. Andhyarujina, Senior Advocate, Supreme Court, that GST is a time supply tax in contrast to excise, he said that GST would promote

India's economic growth and offset any adverse impact on the economy from Brexit. "This workshop on GST is being held on an historic day when British citizens voted to leave European Union. The exit of Britain from European Union would have a far-reaching impact on global economy, especially on international trade. The Indian government must use this development to introduce GST and support economic growth."

Mr Andhyarujina raised hope that the GST regime would reduce the number of litigation between the industry and tax authorities. He informed that while the government's tax collection doubled in the last five years, the tax disputes has risen over 600% during the same period. The government has to pay Rs 1 lakh crore in FY16, the senior advocated pointed out.

He stated that there are some onerous provisions in the GST bill. For example, it is the onus of the buyer to conform whether the seller has paid the tax on inputs. Also, the benefits given to employees are not eligible for claiming input tax credit. However, there are more contentious issues that need to be ironed out. These include issue of dual control by central and state governments, the determination of revenue neutral rate and so on.

Talking about GST on E-commerce sector, Andhyarujina pointed out that it would improve the tax base. "Non filing of returns within 6 months would mean losing dual registration – State and Central," he added.

Ms Rupa Naik, Executive Director, AIAI said, "GST is a path-breaking reform in India's indirect taxation system and I expect the introduction of this regime to boost manufacturing sector of the country."

During the event, India's leading financial institution IDFC, made a presentation on how it would simplify banking services by adopting cutting edge technologies.

Mr. Rastogi concluded the workshop by recalling that the GST Bill has been tweaked enough to favour business. "The banking industry has been gearing up, holding discussions. However, the training of the government officers is a concern. They will have to unlearn from the past and a change in temperament is essential," he added.

## Ease of Doing Business, a major pillar of 'Make in India' initiative

India's rank in the Doing Business Report 2016 improved to 130th from 134th in the previous year. Further improvement in India's ranking in the ease of doing business index, based on the reform measures which have been taken in recent years, is being sought. The Insolvency and Bankruptcy Code has been notified which aims to create a framework for resolving insolvency in the country. WB is interacting with the private sector respondents for a feedback on the reforms implemented in the areas of doing business. Also the push to passing of the GST (Goods and Services Tax) Bill, sweeping reforms on FDI, National Policy on Capital Goods and the launch of National IPR (Intellectual property rights) policy do reflect the government's intent to boost the investment climate and improve the 'ease of doing business' scenario in India. The GST Bill will bring about unprecedented sweeping changes in the taxation structure and the manner in which indirect taxes like excise, service tax, sales tax or VAT will get levied. But all above will have to be taken to their logical end ie the last mile delivery to actually yield results on the ground. Further for greater ease of doing business in India, the CBDT has put in place new protocols which will ensure that corporates being allotted PAN and Tax Deduction Account Number (TAN) within a day. Thousands of rules and procedures are being streamlined unobtrusively but steadily. PM has succeeded in making chief ministers compete to become business friendly (including in labour flexibility and in ease of doing business). The changes, however, are not transformational. But 'pervasive incrementalism' is visible across all sectors. All together, this can result in big positive impact over the long term.

In sum, on the economic side, radical liberal reforms have not been pursued at all which the nation hoped for. India is supposedly the fastest growing major economy in the world (7.6per cent GDP growth). This gels ill with falling exports for

19 months and an Index of Industrial Production (IIP) showing almost nil growth.

Some experts fear statistical flaws in macro indicators. An insightful exercise suggests manufacturing growth to have been inflated 4.5per cent and GDP growth 0.8per cent in FY16. But even an adjusted rate would make India among the fastest in a slowing global economy. The missing point is that it is nowhere near fast enough to provide good employment to all. That explains the spread of agitations of well-off castes for government job reservations.

In economic policy, govt has been successfully following "persistent, creative and encompassing incrementalism" with rebranding and expansion. These include the JAM trinity of Jan DhanYojana, Aadhaar and mobile telephony, Swachh Bharat and Digital India. The only mega attempt was on land acquisition, which had to be abandoned because of political hurdles. Though corruption at the Centre has been lately somewhat contained, it continues merrily in the states and lower bureaucracy. However, no-patronising approach seems a positive.

Privatization and the promised corporatization of the Railways and Port Trusts have been avoided. Only in last Budget the govt shareholding in IDBI has been stated to fall below 51per cent. Otherwise the banking system remains government-dominated and used for financing sundry government schemes (including oft-disastrous public-private partnership (PPP) infrastructure projects). But measures have begun to clean up bank books, check crony loans, and seize assets of willful defaulters.

The slogan 'maximum governance, minimum government' has been much touted but nothing much has been achieved. All government services —police courts, administration education health — remain unreformed and dismal. Subsidies have



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been pruned, but mainly because of good luck in falling global commodity prices, helping slash the oil and fertiliser subsidies.

### Some Green Shoots Visible

Though Infrastructure is still sub-standard, it is not a binding constraint on growth. Public investment in infrastructure has picked up. Road building is also speedily rising. India has actually become power surplus in a number of regions but the state-level subsidies for electricity remain dangerously high. Foreign direct investment (FDI) inflows, national economic interests being incorporated in various external policies and continuous improvement in 'ease of doing business' are being pursued relentlessly.

### Coping with growing Global Uncertainties

Global uncertainties are projected to take a toll on confidence and investment, including through their repercussions on financial conditions and market sentiment more generally. For ex. businesses tend to hold off on new investment projects until they understand what the trade rules among the nations will be.

### Start-ups

Start-ups that did not have a business model and hence could not grow or attract new funding, are shutting shop. Start-ups shutdowns are making investors anxious. The rise and fall at Softbank, in some sense, symbolizes how the investor sentiment has changed with Indian start-ups: moving from a period of exuberance to one of extreme caution within two years.

### NPAs

Government has taken specific measures to address issues in sectors such as Infrastructure (Power, Roads etc.), Steel and Textiles, where incidence of NPAs is high. Main reasons for increase in NPAs of banks are sluggishness in the domestic growth during the recent past, slowdown in recovery in

the global economy and continuing uncertainty in the global markets leading to lower exports of various products like textiles, engineering goods, leather, gems, external factors including the ban in mining projects, delay in clearances affecting Power, Iron & Steel sector, volatility in prices of raw material and the shortage in availability of power have impacted the operations in the Textiles, Iron & steel, Infrastructure sectors, delay in collection of receivables causing a strain on various Infrastructure projects, aggressive lending by banks in the past.

The government has taken specific measures to address issues in sectors such as Infrastructure (Power, Roads etc.), Steel and Textiles, where incidence of NPAs is high. The government has also approved establishment of six (6) new Debt Recovery Tribunals (DRTs), to speed up the recovery of bad loans of the banking sector, in addition to existing thirty three. Reserve Bank of India (RBI) has also undertaken steps which include (i) Formation of Joint Lenders' Forum (JLF) for revitalizing stressed assets in the system, (ii) Flexible Structuring for long term project loans to Infrastructure and Core industries, and (iii) Strategic Debt Restructuring (SDR) scheme. (iv) Scheme for Sustainable Structuring of Stressed Assets (S4A). The Government has recently issued advisory to banks to take action against guarantors in event of default by borrower under relevant sections of SARFAESI Act, Indian Contract Act & RDDB&FI Act, since in the event of default; the liability of the guarantor is co-extensive with the borrower.

### NPA of PSBs, SCBs crosses 10 lakh cr in 2016

The Gross Non Performing Assets (GNPA) of Scheduled Commercial Banks (SCBs) has gone above Rs 5,41,763, whereas the GNPA of Public Sector Banks (PSBs) has risen to 4,76,816 crore during Financial Year 2016. Altogether the total Non Performing Assets of these banks have gone up to 10,18,579 crore.

### Skill India

NITI Aayog has signed pacts with Intel for skill development of youth. UP has world's largest skill programme: It is among the few Indian states that has procured an Overseas Manpower Recruitment License to facilitate residents to get offshore jobs, especially in the Gulf.

Cabinet approves India - Swiss Confederation MoU for cooperation in skill development

**Digital India** is fast becoming a reality.

### Labour Reforms

Govt must target labour market rigidities to maximise gainful employment in Industry. Take example of India's textile & apparel industry, which is all set for an overhaul as the new National Textile Policy will soon be placed before the Cabinet for approval. Government has already accepted a Rs.60 bn special package for this sector with an aim to create 10 mn new jobs in the next three years, attract investments of \$11 bn, as well as generate an additional \$30 bn in exports. Major measures include additional incentives for duty drawback scheme for garments, flexibility in labour laws to increase productivity and tax & production incentives for job creation in garment manufacturing. As part of the reform agenda, the Ministry of Textiles would also seek to lower excise duty on man-made fibre to 6 per cent from the existing 12per cent. There are other specific interventions to encourage value addition so that India becomes an exporter of value-added (garment) products rather than just raw material (fibre and yarn).

But on the way, a maze of labour regulations have to be crossed. It has been reiterated time and again that the stringent labour laws and the cumbersome nature of compliance with labour regulations & norms act as a barrier to growth of the manufacturing sector. While government has agreed to reform the archaic labour laws to generate

more employment in this industry, in some cases it may require changes in the legislation, which will be a challenge in itself. The system of labour regulations in India is quite complex, with over 200 labour laws, including 52 Central Acts. In their book 'India's Tryst with Destiny' Jagdish Bhagwati and Arvind Panagariya maintained that it is impossible to comply with 100per cent of labour laws without violating at least 20per cent. Each State has its own way of dealing with the industry and making amendments in the labour laws. Among many laws, the biggest challenge is to bring reforms in the Industrial Disputes Act (IDA), 1947, that forms the basis for regulation of job security in the organised manufacturing segment, due to strict dismissal norms laid down under it.

The annual rate of growth in employment in the organised sector has been modest at 2per cent since 2000-01 with some signs of deceleration, especially from 2007, a period that coincided with the removal of the Multi Fibre Arrangement that governed world trade in textiles and garments to developed countries. However, an increase in employment is accompanied by a growing share of contract workers in total workers from 8.42per cent to 13.45per cent. The trend in organised manufacturing overall is similar to that observed in the textile sector, where the share of contract workers has risen from 21.3per cent to 34.6per cent during this period.

An increasing informalisation of employment within the formal sector could be explained by the labour market rigidities and growing competition, among other factors. The industry may employ temporary or contract workers in a bid to escape Chapter V-B of the Act despite the contract labour system being more expensive. Furthermore, the share of contract workers in total workers is much higher in firms employing less than 100 workers, and not falling under the ambit of Chapter V-B of the IDA. The share has significantly gone up in

two segments, viz. preparation and spinning of textile fibres and weaving of textiles, from 8.21 per cent to 20.72 per cent and 18.38 per cent to 24.95 per cent in a span of 11 years. It is much higher compared to the firms employing more than 100 workers falling outside the domain of Chapter V-B.

This clearly indicates that the organised industry could be following an escape route by employing contract workers to replace the regular workers. Since firms employing less than 100 workers do not fall under the ambit of the Chapter V-B, they have an incentive to remain outside by hiring more contract workers. On the other hand, the firms which have already crossed this threshold of 100 workers have a much lower incentive to hire contract workers.

#### **Towards gainful employment**

Such informal arrangements may hamper the industry's growth in productivity and development in the long run. The trend, which has been continuing since the nineties, needs to be reversed. The Economic Survey 2016 has rightly pointed out that stringent labour regulations act as "regulatory cholesterol", inhibiting the industry from generating employment and hiring regular workers. It is therefore important that as part of the 'textile package' the government should at least try to reduce, if not remove labour market rigidities for creation of gainful employment. Provision of better wages to casual workers, along with social security and other benefits, will contribute to higher productivity. The industry would also avoid hiring contract workers, be able to reduce contracting cost and move towards expansion. Some propositions have been in the offing, such as considering fixed-term workers on a par with permanent workers in terms of wages and allowances, providing tax benefits to firms employing permanent workers for at least 150 days, making provident fund contribution by employees earning less than Rs.15,000 per month optional, and the government contributing on behalf of

the employer towards Employees' Provident Fund Organisation for the first three years.

These initiatives, if implemented, can go a long way in reviving growth and generating gainful employment in the textile industry. The government must also focus on bringing amendments in the IDA which may otherwise act as a stumbling block. Rajasthan, Gujarat, Madhya Pradesh and Haryana are making some headway in this direction. There are provisions to reform labour laws in the new textile policy. It is hoped that the Ministry of Textiles under Smriti Irani will get the new National Textile Policy approved and speed up the reforms. Much depends on how capably she would fast-track flexibility in labour laws and regulations with cooperation from the Ministry of Labour and Employment.

Centre has put wage plan for contract workers at Rs 10000 p m, following objections from Industry on hold. Labour Ministry has opted for 'international consultation' on fixing minimum wages.

Huge banking reforms are underway. Govt. has been able to strike consensus on GST Bill

July marks the 25th year of the historic reforms that set in motion the irreversible process of opening the Indian economy.

#### **On employment generation**

We have been, in the last two years, passing through a very critical phase. Critical because the global situation is obstructive, not supportive. When the world grows, everybody grows. 2003-09 were positive years of global growth. So, along with the global trend, demand increases, everybody moves up. 2014 onwards, we have been obstructed by global winds. Secondly, we had an inadequate monsoon. Thirdly, the UPA left behind a legacy of large NPAs and a stressed private sector.

Positive in our favour was oil prices, as against these three drawbacks. Now, the first [achievement] was not to get into the global trend, and therefore,

these have been the only two years in India's history — and hopefully there will be more — where we will be the fastest growing economy in the world. And fastest in an adverse environment. Second, this growth is coming on the strength of three factors. Enhanced public investment, foreign direct investment and increased urban demand. Hopefully, this year's monsoon will add rural demand to it. Now, these collectively may bring some activism into the private sector in many segments. We are independently trying to tackle the banking issues. Therefore, both at the level of areas where the economy grows, jobs are created, and also schemes like Mudra have encouraged a huge amount of self-generated employment.

#### **Banking reforms**

A huge banking reform is taking place in India right now. The 1969 change had left banks predominantly nationalised. Today, as we look at 2016, you have private sector banks in very large numbers. [They are] growing and [their] performance index is very high. You have a very large Internet banking [network]. You have payment gateways now. You have these small bank licences, newer licences, which have been given. And therefore, a large part of India's banking has now already travelled beyond those nationalised banks. Even the nationalised banks have now learnt a lesson that they will have to be competitive in addition to their social obligations. Now, this low-cost financial inclusion, the whole world is surprised how we did it. A lot of credit goes to the nationalised banks for this.

Insurance, now you will find your consumer industry demands housing, etc. Banking is needed to support growth. What unfortunately has happened is that a few sectors got stressed because of the global slowdown. Power, steel, and even sugar was stressed in India. Now gradually, the stress is going away in some sectors and the government has played a proactive role there. UPA did not take even one step to remove banking stress. All of this was done by us in the last two

years. Be it minimum import price for steel, or the Uday scheme for power. We revived highways. We are launching as many infrastructure projects as we can.

Now, for public sector banks, on the one hand you have to inject capital and on the other, remove factors that cause stress. And this whole policy of merger — smaller banks merging into larger banks. So there is a huge amount of banking reform which is taking place in India. It is not necessary that every reform has to be confrontationist in nature.

You always have to balance inflation, growth. It has to be done by institutions including RBI: Higher oil prices may create adversity: Will go for voting on GST bill if Congress doesn't come onboard. Higher oil prices may create adversity: Will go for voting on GST bill if Congress doesn't come onboard, says Arun Jaitley. Stalling of GST providing 'sadistic pleasure' to some, Inflation

You always have to balance inflation and growth. You will always need to do that. So if India has a very high rate of inflation, the cost to the common man increases. And thereafter, the rates themselves will go up, because money supply will have to be curtailed, and then that will impact on growth. So the balancing act has to be done by various institutions, including the RBI.

#### **Public Private Partnership**

In infrastructure, the PPP model has to be encouraged. Because in infrastructure, government has to partially or substantially lead the way. There is a very strange dichotomy in the public-private relationship. Ordinarily, the private sector should lead the economy. But when there is stress, they want the government to take the first step.

#### **GST Bill**

GST was initially proposed by the Congress party in one of Finance Minister P Chidambaram's Budget speeches. Thereafter, Mr Pranab Mukherjee introduced the Bill. They could not build consensus

among the states. With some changes in the law, we have been able to bring about a consensus among the states. Almost all states are now supporting it. Virtually every political party is now supporting it. And the numbers in the Rajya Sabha are stacked in favour of the GST. We are in a position to have even the subsequent laws cleared, two of them by Parliament and one by the state legislatures. The Congress has raised some issues, and I have already made the government's stand clear.

### India's globalisation marks silver jubilee

The USP of Manmohan Singh was that he introduced more competition, both internal competition and external competition; simplified the tax structure and tried to create an environment conducive to the growth of business. The reforms, put in place by the then finance minister Manmohan Singh in July 1991, had not only helped the country come out of the economic slump faced by the country 25 years ago, but it had also set a new and global framework for the future generation of policymakers.

"There is no time to lose," Singh urged, before going on to announce "essential reforms in economic policy..." Licensing, the bane of businesses, was tamed by the abolition of permit for all but a handful of industries; import-export policy radically altered and direct foreign investment was freed up.

An idea whose time had come

In his maiden speech as the union finance minister, Singh quoted one of the greatest French writers, Victor Hugo: "No power on earth can stop an idea whose time has come." And rightly said this was an idea that changed the Indian nation for better.

Now 25 years later, India is among the world's fastest economies and emerging third world leader. There still are issues like poverty, corruption, unemployment, lack of social security, gender inequality but there are positives like a growing

middle class, gradual phasing away of subsidies and a burgeoning economy that is the envy of developed nations. Another positive is the growing literacy which will be a big advantage in the future as at present 95 per cent of children at 12 years are literate in the country, while a number of computer literates and mobile-savvy people is going up by the day.

The transition period from 1991 to 2016 has seen India emerge as a potential superpower, the only Asian power that can overtake mighty China in the 21st century. In July 1991, the Indian government for the first time devalued the rupee and thus began India's growth story.

India in 2016 is a member of G20, the group of most powerful nations in the world. However, when Indian journey for globalisation began in 1991, our country was a member of G77, a group of developing countries. India was historically an economic laggard which grew at just 3.00 to 3.5 per cent per annum.

### A donor country

When India embarked on economic reforms in 1991, it was akin to a beggar that looked for funds from the International Development Association and the World Bank. Almost 25 years later, India today has become a donor country. A line of credit of \$10 billion to Africa, \$2 billion to Bangladesh shows how reforms have transformed Indian economy. Remittances from NRIs total \$75 billion a year, and foreign direct and portfolio investment often exceed \$60 billion per year. Commercial loans exceed \$35 billion. It's per capita income has shot up from \$375 in 2011 to \$1,700 today, taking it from low-income to middle-income status. India is making a serious bid to overtake China thanks to our young tech-savvy English-speaking population. The 25-years of reforms have resulted in catapulting India as the third-largest economy in the world after China and the US. The best part is that India has overtaken all European economies

and Japan.

The recent budget estimates released by the Finance Minister, Arun Jaitley show that India has become the fastest-growing major economy in the world, touching 7.6 percent in 2016 after a similar rate in 2015. In fact, India accelerated to become a miracle economy, averaging 8 percent growth after the year 2003. Growth rate wise, much against what sceptics thought out, India has already overtaken China.

The transition period since 1991 has seen India emerge as a potential superpower, the only Asian power that can overtake mighty China

### A double-edged weapon

Indeed competition is a two-edged weapon as it helps those who are strong but hurts those who are weak and laggard.

### India shining

Between 1991 and 2016, a record 138 million Indians were raised above the poverty line and the journey is poised to be faster after 2016 in view of the current pace of growth. China was earlier hailed for raising 220 million people above the poverty line between 1978 and 2002. However, India's rate of poverty reduction was much faster.

Before 1991, India begged for food aid if the monsoon failed. When it suffered two successive droughts in 1965 and 1966, mass starvation was avoided only by US food aid.

The Green Revolution changed that, and private seed production further improved productivity after 1991. India suffered two successive droughts in 2014 and 2015. Yet this time, it remained a net food exporter. It became the world's largest rice exporter in 2014.

In 1991, it took years to get a telephone landline. A telephone landline connection meant having to fill up a form and then waiting for a few years for the engineer to arrive. With the mobile phone

revolution, scarcely anybody bothers about landlines any longer and, today, India has emerged as the third largest Smartphone market in the world.

Today, India has a billion cell phones, instant availability and the cheapest telecom rates in the world. Even people below the poverty line have phones. In 1991, only 20 percent of Indians had a TV set. Now two-third do. In 1991, Doordarshan had a TV monopoly. Today, the country has close to 1000 TV channels.

The year 2016 is the time to quote celebrated essayist Francis Bacon who penned that "a wise man will make more opportunities than he finds" because a normal man is content with the opportunities that he gets but a wise man has to make more opportunities than he finds. It was 26th May 2014 when Narendra Modi took over as the 15th Prime Minister of India riding on a NaMo wave sweeping the country. This was the first ever swearing-in of an Indian Prime Minister to have been attended by heads of SAARC countries. The Prime Minister of Pakistan, Nawaz Sharif and President of Sri Lanka, Mahindra Rajapaksa though faced strong opposition in India and their own countries.

To mark two years, the Centre for Media Studies conducted a survey, which suggested that Modi's performance as Prime Minister was liked by a vast majority (62 percent) and a big majority (70 percent) wished him to continue as the Prime Minister for another five-year term. Modi's initiatives to improve administration and country's image globally have received big thumbs up from a majority of people. The survey encompassed 15 states and covered both the rural and urban population.

During his maiden visit to the United States as Prime Minister, Modi had held meetings with a galaxy of American corporate executives including those from Boeing, PepsiCo, Google, KKR and General

Electric. He had assured American corporate honchos of tax stability and friendlier business environment back in the country. The Make In India pitch by Modi, huge Japanese investment and top executives visiting India including Satya Nadella (Microsoft), IndraNooyi(Pepsico), Sheryl Sandberg (Facebook), Jeff Bezos ( Amazon ) and Mark Zuckerberg ( Facebook ) pointed to the success of the programme. Under Jan DhanYojana for financial inclusion, more than 1.5 crore bank accounts were opened on the inauguration day itself.

### Rising aspirations

India is changing radically. Not just mobile phones, liberalisation's tangible effects can also be measured through parameters such as the mushrooming shopping malls and high-rise apartment buildings, as well as growing disposable incomes. But it is also to be found in India's attitudes, aspirations and ambitions, all of which have changed drastically. Between 1999-2000 and 2011-2012, spending and consumption by the poorest 5 percent in the rural areas saw a increase of 30 percent in contrast to an increase of 60 percent by the richest 5 percent. Urban India followed a similar pattern.

Today, India has foreign exchange reserves of around \$350 billion as its economy grows at a enviable 7 percent. From the shoe shine boy to chief executive officer, everyone's life has been impacted in one way or the other—socially, politically and economically—by the process of liberalisation unleashed 25 years ago. Old orders have broken down and new worlds are being created, though not all of it is accessible to all.

Growth matters: India has become the fastest-growing major economy in the world, touching 7.6 percent in 2016 after a similar rate in 2015

### Globalisation

Globalisation refers to integrating the economy of

a country with the economies of other countries. This necessitates free flow of trade, capital and movement of persons across borders. It includes an increase in foreign trade, export and import of techniques of production, the flow of capital and finance from one country to another and migration of people from one country to another.

### Barriers

Prior to 1991, the government had put barriers to foreign trade and foreign investment to protect domestic producers from foreign competition, especially when industries had just begun to come up in the 1950s and 1960s. The overwhelming view was that competition from imports would deal a death blow to domestic industries. In the aftermath of globalisation, the government removed these barriers because in view of new thinking that domestic producers were ready to compete with multinational entities.

### Labour laws

The globalisation demands flexibility in labour laws that is expected to help companies becoming competitive. By easing up on labour laws, company heads can negotiate wages and terminate employment, depending on market conditions. This leads to an increase in the company's competitiveness. However, the trade unions and worker's bodies have been opposing these because such a situation leads to the policy of hire and fire.

### MNCs

Multinational Corporations (MNCs) set up their factories or production units close to ports and markets where they can get cheap skilled or unskilled labour. MNCs can set up production units jointly with some local companies or by buying a stake in the local companies and then expanding production using modern technology. Another way is that MNCs can place orders for small producers and sell these products under their own

brand name to the customers worldwide.

### Why liberalisation?

Historically, the developed countries have been looking towards developing countries to liberalise their trade and investment because then the MNCs belonging to the developed countries can set up factories in less-expensive developing nations, where labour is cheap, inputs are cheaper and there is flexibility in labour laws.

### Impact of globalisation

Ironically, by and large, the impact of globalisation has not been uniform. It has only benefitted skilled and professional personnel in urban areas and not the unskilled personnel. The industrial and service sector has gained much in globalisation than in agriculture. Small local manufacturers of goods such as batteries, capacitors, plastics, toys, tyres, dairy products and vegetable oil have been hit hard by competition from cheaper imports.

### Easier foreign trade

Liberalisation of trade and investment policies

has helped the globalisation process by making a foreign trade and investment easier and providing companies ease of doing business. Earlier, several developing countries had placed barriers and restrictions on imports and investments from abroad to protect domestic production. Foreign trade provides opportunities for both producers and buyers to reach beyond the markets of their own countries. Goods travel from one country to another. Thus foreign trade leads to the integration of markets across countries.

Mere capital infusion in banks will not help. Drastic restructuring and wholesale banking reforms are required. Latest recapitalization staves at SEBI RULES III norms is now the overriding concern.

As Bibek Debroy has said—A barometer of performance: Citizen grievances and their resolution could be an indicator of the performance of govt departments.

Credit Suisse warns of global growth slowdown but +ve on India

## AIAI welcomes, progressive Budget and hike in exemption limit for MSME

All India Association of Industries (AIAI) welcomes increase in exemption limit to SME (Small & Medium Enterprises) from Rs.1.5 crore to Rs.2 crores, various measures taken to boost Infrastructure in urban and rural area, widening of duty drawback and 1% exemption in Income Tax to small businesses up to Rs.5 crores constituting the highlights of the Budget, said Vijay G. Kalantri, President – All India Association of Industries (AIAI).

Further AIAI welcomes 100% FDI in Asset Reconstruction Company and avers that Rs.25000 crores for PSU Bank recapitalization could have been at least Rs.50000 crores in view of the increase in NPA provision. Various new schemes in regard with exemption in Taxation and rationalization of tax laws, as also in regard with excise and customs, and more measures to support exports are welcome. Introduction of E-filing and E-settlement is a good feature and will improve ease of doing business.

The government has increased the outlay for infrastructure and energy sectors to Rs 2,21,246 crore in 2016-17 from Rs 1,80,610 crore in the previous year. This is a positive step to stimulate economic growth.

The Budget proposed to allow 100 per cent FDI through FIPB route in marketing of food produced in the country providing boost to the food processing industry.

Despite increase in expenditures, the fiscal deficit target of 3.5 per cent to GDP will be ensured in 2016-17.



## LSAW LINE PIPES



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## SNIPPETS



H.E. Mr. Pranab Mukherjee, President of India with Mr. Vijay Kalantri, President, AIAI



Mr. Vijay Kalantri, President, AIAI with H.E. Mr. Neelam Sanjiva Reddy, the 6th President of India



Hon'ble Mr. Manmohan Singh, Former Prime Minister of India with Mr. Vijay Kalantri, President, AIAI



Mr. Vijay Kalantri, President, AIAI with H.E. Mr. H. D. Deve Gowda the 11th Prime Minister of India



Mr. Vijay Kalantri, President, AIAI with H. E. Ms. Pratibha Devisingh Patil the 12th President of India



Hon'ble Mr. P. V. Narasimha Rao, Former Prime Minister of India with Mr. Vijay Kalantri, President, AIAI



Hon'ble Mr. C. Vidyasagar Rao, Governor of Maharashtra with Mr. Vijay Kalantri, President, AIAI



Mr. Vijay Kalantri, President, AIAI with Mr. Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra



Mr. Sushil Kumar the then Hon'ble Chief Minister of Maharashtra with Mr. Vijay Kalantri, President, AIAI



Hon'ble Mr. S. M. Krishna, the then Governor of Maharashtra with Mr. Vijay Kalantri, President, AIAI



Mr. R. Bandyopadhyay, the then Secretary Ministry of Corporate Affairs, Government of India at an interactive meeting on "Informed Investor- An Asset to Corporate India" being organized by AIAI in association with Ministry of Corporate Affairs, GOI, BSE and WIRC of the Institute of Chartered Accountant of India

## SNIPPETS



The highest Polish honour "Commander Cross of the Order of Merit" by H.E. Mr. Aleksander Kwasniewski, President of the Republic of Poland was bestowed upon Mr. Kalantri



Mrs. Bozena Czaja Member of the Management Board, Polish Information & Foreign Investment Agency (PIAZ) at a meeting organized for Indo- Polish IT co-operation



Ms. Rupa Naik, felicitating Mrs. Walesa and Mr. Lech Walesa, Former President of Poland and Winner of Noble prize for peace at the reception organized by IPCC



H.E. Mr. Jan Kozlowski, Chief Minister of Pomerania Region, Poland and H.E. Mr. Pawel Adamowicz, Mayor of City of Gdansk at the meeting organized by IPCC



Hon'ble Mr. SC Jamir, the then Governor of Maharashtra, H.E. Mr. Marek Wozniak, Marshal of Wielkopolska Region of Poland at an interactive meeting on Strengthening Commercial Ties with Poland



Prof. Marek Belka, President, National Bank of Poland & Former Prime Minister of Poland at a meeting on "The Eurozone in Crisis : A view from Poland"

## SNIPPETS



Interactive meeting with Hon'ble Prime Minister of Mauritius the Rt. Hon. Sir Anerood Jugnauth GCSK, KCMG, QC, organized by IMCC and AIAI



Hon'ble Mr. Premdutt Koonjoo, Minister of Ocean Economy, Marine Resource, Fisheries, Shipping & outer Islands Mauritius with Mr. Vijay Kalantri



Prime Minister of Mauritius Sir Anerood Jugnauth being presented with lifetime Achievement Award by Mr. Kripashankar Singh, Minister of State for Home Government of Maharashtra



Mr. Vijay Kalantri along with the delegates at the dinner reception hosted by Hon. Sir Anerood Jugnauth, Prime Minister of the Republic of Mauritius at Clarisse House Vacoas, Mauritius



The Hon. Dr. Ahmed Rashid Beebeejaun, Dy. Prime Minister, Minister of Public Infrastructure, Land Transport and Shipping in center with Mrs. Rupa Naik and Mr. Vijay Kalantri



Mr. Vijay Kalantri with Mr. Raju Jaddoo FCA, Secretary General of Mauritius Chamber of Commerce and Industry (MCCI)



Hon. Dr. S. Sunasseer, Minister for Industries & Commerce, Mauritius and Shri Gopinath Munde, the then Deputy CM of Maharashtra at the launch of Indo - Mauritius Chamber of Commerce (IMCC)



## SNIPPETS



By the Decree of H. E. Mr. Vladimir V. Putin, President of the Russian Federation, honoured Mr. Vijay Kalantri being honoured with the Pushkin Medal, Russian State Awards



H.E. Mr. Alexander M. Kadakin, Hon'ble Ambassador Extraordinary and Plenipotentiary of the Russian Federation to India and Mr. Alexey Novikov, Consul General of the Russian Federation in Mumbai at the launch of Russia India Trade House Mumbai (RITHM)



Mr. Konstantin MARKELOV, Vice Governor Chairman of Astrakhan Region, Russia during interactive discussion on Doing Business with Russia



H.E. Mr. Viacheslav Trubnikov, Ambassador of the Russian Federation at a business forum on Emerging Scenario in Indo-Russia trade relation



All India Association of Industries co-organised the Russian - Indian Film Festival 2015



H.E. Mr. Alexander M. Kadakin, Hon'ble Ambassador Extraordinary and Plenipotentiary of the Russian Federation to India at a Reception



Performance by 'LEELA' (Dance group from Russia) organized by AIAI and Cultural Centre of Russia

## SNIPPETS



Mr. P. Chidambaram, former Union Minister of Finance while addressing the members of YES



Talk on building successful organization by Ms. Chanda Kochhar, the then Dy. MD ICICI Bank



Mr. Sajjan Jindal, CMD of JSW Group, Ms. Sangeeta Jain, Chairperson, YES, Mr. Rajjat Barjatya, MD and CEO, Rajshri Production while addressing members on My Experience as an Entrepreneur



Mr. Subhash Goel, CMD, Zee Group at an interactive meeting on Entrepreneurs in the electronic age – opportunities and challenges for youth organized by YES



Mr. Anand Mahindra, CMD, Mahindra Group at an interactive meeting organized by YES



Mr. Venugopal Dhoot, CMD, Videocon Industries Ltd, Mr. Adi Godrej, CMD, Godrej Group, at an interactive meeting on Governance and Strategy in Godrej Group organized by YES and AIAI



Interactive Meeting with Mr. Jyotiraditya Scindia, Minister of State of Commerce and Industries, DIPP Minister of Commerce and Industries



Mr. Montek Singh Ahluwalia, Dy. Chief Planning Commission, Government of India at an interactive meeting organized by YES and AIAI



Mr. Rajjat Barjatya, MD and CEO, Rajshri Production and Mr. N.R. Narayana Murthy, Chief Mentor of Infosys Technologies Ltd at the meeting organized by YES

## SNIPPETS



Mr. Vijay Kalantri with Lord Hanningfield, DL, Leader of the Council, Essex Country Council and Mr. Y R Warekar, Executive Director, WTC Mumbai



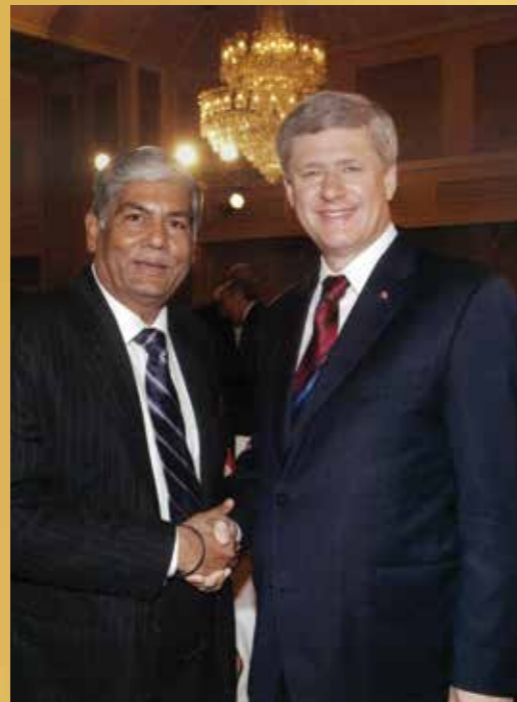
Mr Rajiv Lal, Managing Director, IDFC, Mr. Peter Beckingham, Dy. High Commissioner of United Kingdom and Mr. Alderman David Wootton the Lord Mayor of the City of London



Mr. Vijay Kalantri felicitating H. E. Jon Huntsman Jr, Governor State of Utah, USA at the welcome reception organized by AIAI



Mr. Ashok Hinduja, Chairman, Hinduja Group presenting memento to H.E. Mr. Paul Berenger, Prime Minister of the Republic of Mauritius at a meeting organized by IMCC and AIAI



Mr. Vijay Kalantri with Hon'ble Mr. Steven Harper the then Prime Minister of Canada



Her Worship Susan Fannell, Mayor of Brampton, Canada, Mr. Suresh Shetty, Hon'ble Minister of Protocol and Public Health, GOM, His Worship Frank Scarpitti, Mayor of Markham, Canada, Mr. Naval Bajaj, President, Indo Canada Chamber of Commerce at a luncheon reception organized by AIAI



Welcome Reception in honour of H. E. Mrs. Maria Da Luz Guebuza, First Lady of Republic of Mozambique



H.E. Ms. Maureen Mwanawasa, First Lady of Zambia addressing an interactive meeting



Mr. Vijay Kalantri felicitating H.E. Dr. Ivan Gasparovic, Hon'ble President of Slovak, Republic

## SNIPPETS



Mr. Karl Van Den Bossche, Consul General of Belgium, Ms. Cathy Berx, Governor of Antwerp, Mr. Bernard Van Milders, President, Voka-Antwerp-Waasland Chamber of Commerce, Mr. Geert Bourgeois, Hon'ble Vice Minister-President of the Flemish Region at the business meeting organized by AIAI & WTC jointly with Voka-Antwerp-Waasland Chamber of Commerce & Antwerp Headquarters in Mumbai



Mr. Vijay Kalantri, President, AIAI felicitating HRH Prince Philip of Belgium during his visit to India on March 26, 2010



Mr. Vijay Kalantri, felicitating H. E. Mrs. Anna Yaneva Deputy Minister of Economy and Energy of the Republic of Bulgaria at an interactive meeting organized by AIAI with the Commercial and Economic Office and Embassy of the Republic of Bulgaria



Welcome Reception organized in the honour of the Hon. Mike Rann MP, Premier of South Australia and wife Mrs. Sasha Carruzzo



Mr. Vijay Kalantri with H.E. Pakalitha Mosisili-Prime Minister of Lesotho, at WTO Public Forum, Geneva



H.E. Dr. Cristina Fernandez De Kirchner, President of Argentina during his visit to India



Mr. Vijay Kalantri welcoming H.E. Mr. Islam Karimov, President of Uzbekistan with Ms. Pratibha Devisingh Patil the 12th President of India

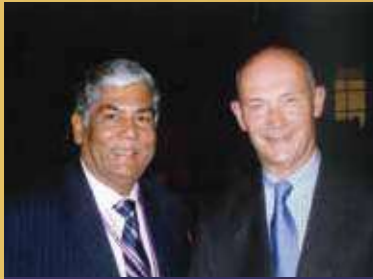


Mr. Armando Guebuza, Hon'ble President of Mozambique having a word with Mr. Vijay Kalantri and Mr. Kamal Morarka



Mr. Vijay Kalantri with Eng. Mauricio Macri Mayor of Buenos Aires City and the official delegates

## SNIPPETS



Mr. Vijay Kalntri, President, AIAI with Mr. Pascal Lamy-Director General, WTO, Geneva at the WTO Public Forum



H. E. Mr. Williams Nkurunziza, High Commissioner of Rep. of Rwanda, Mr. Jean Philbert Nsengimana, Hon'ble Minister for Youth and ICT, Rep. of Rwanda during their visit to India



Mr. Martin O Malley Governor of State Maryland and Mr. Vijay Kalntri



H.E. President of Mongolia Mr. khiagiin Elbegdorj



Mr. Vijay Kalntri, President, AIAI met the Right Hon'ble, Mr. Raila Odinga, the then Prime Minister of Kenya during his visit to New Delhi on Nov. 16, 2010



Hon'ble Mr. Kevin Rudd (MPP), the then Prime Minister of Australia during his visit to India



Meeting with Mr. Leszek Wojtasiak, Vice Marshal of the Wielkopolska Region during the visit to Poland



Meeting with H.E. Mrs. Monika Kapil Mohta, ambassador of India to Poland and Lithuania



Meeting with Mr. Tadeusz Nalewajk, Undersecretary of State, Ministry of Agriculture, Republic of Poland



Meeting with Ms. Anjali Prasad Ambassador / Permanent Representative of India to the World Trade Organization, Geneva, Switzerland

## SNIPPETS



Business Delegation at INCOM 2012 in Turkey



At INCOM 2013 in Turkey



Reception hosted by the Hon'ble Mayor Mr. Jose Manuel Rey Varela of Ferrol at the City Council for the business delegation led by AIAI to Spain



AIAI led a Business Delegation to Sakarya Companies Event for Machinery & Metal Sector, Sakarya, Turkey in 2013



Investment Mission led by AIAI to Eastern Poland



At the Taipei Food Show 2016

## SNIPPETS

Mr. Amit Sarda, President of Young Entrepreneurs' Society, Mr. Vishal Kalantri, Director, Dighi Port Ltd, Mr. Vijay Kalantri, Mr. Shatrughan Prasad Sinha, Mr. Ashok Chavan, the then Chief Minister of Maharashtra



Mr. Salman Khurshid (IC), the then Minister of State of Corporate Affairs at a meeting on Sustainable Growth organised by AIAI in association with the BSE.



Shri N. A. Palkhivala being felicitated by the then Governor of Maharashtra, HE Shri P. C. Alexander for his Life Time Achievement Award at a function organised by the AIAI



Mr. Salaman Khurshid, Minister for Water Resource (GOI), Mr. Chagan Bhujbal, Minister of PWD, (GOM), Mr. Subodh Kant Sahai, Minister for Tourism (GOI) lighting the lamp at the Global Economic Summit & Global Expo 2011 held in Mumbai from 27-29 January 2011

Dr. Chandrapal the then Secy MSME and Agro and Rural Industries, Government of India, Chief Guest at the Bankers Borrowers Meet organized by AIAI



Mrs. Rupa Naik felicitating Dr. R. Chidambaram, Pr, Scientific Advisor, Government of India, DAE, Homi Bhabha Professor at the ITM Expo 2008



At a Seminar on Entrepreneurship: Global Opportunities in IT organised by AIAI in association with TIE and Consular Corps



At the inauguration of 5th edition of the Global Economic Summit 2015 on the theme 'Enabling Food for All'

## SNIPPETS



At the VII International IT-Forum in Khanty-Mansiysk Autonomous Okrug – Ugra, Russia



Mr. Manohar Gajanan Joshi, the then Hon'ble Chief Minister of Maharashtra addressing the 2nd Global India Conference organised by AIAI



Mr. Vijay Kalantri, President, All India Association of Industries, Hon'ble Barry O' Farrell, Premier of New South Wales, Mr. Chris Eccles, Director General, NSW Department of Premier and Cabinet, at the luncheon meeting organised by AIAI



Mr. Vijay Kalantri, President, AIAI, Mr. Subodh Kant Sahai, Minsiter for Agro & Food processing and Mr. Ashok Chavan, the then Chief Minister of Maharashtra at the innauguration of GES 2010



At an interactive meeting with H.E. Dr. Donkumar Roy, the then, CM of Meghalaya on Investment opportunities in Meghalaya organized by AIAI



Mr. Vijay Kalantri felicitating Mr. Shankar Aggarwal, IAS, the then Secretary, Ministry of Urban Development Government of India, looking on are at the interactive panel discussion on 'Smart Cities in India: Reality in the Making'



Meeting with H.E. Mr. Sunil Lal, Indian Embassy in Spain





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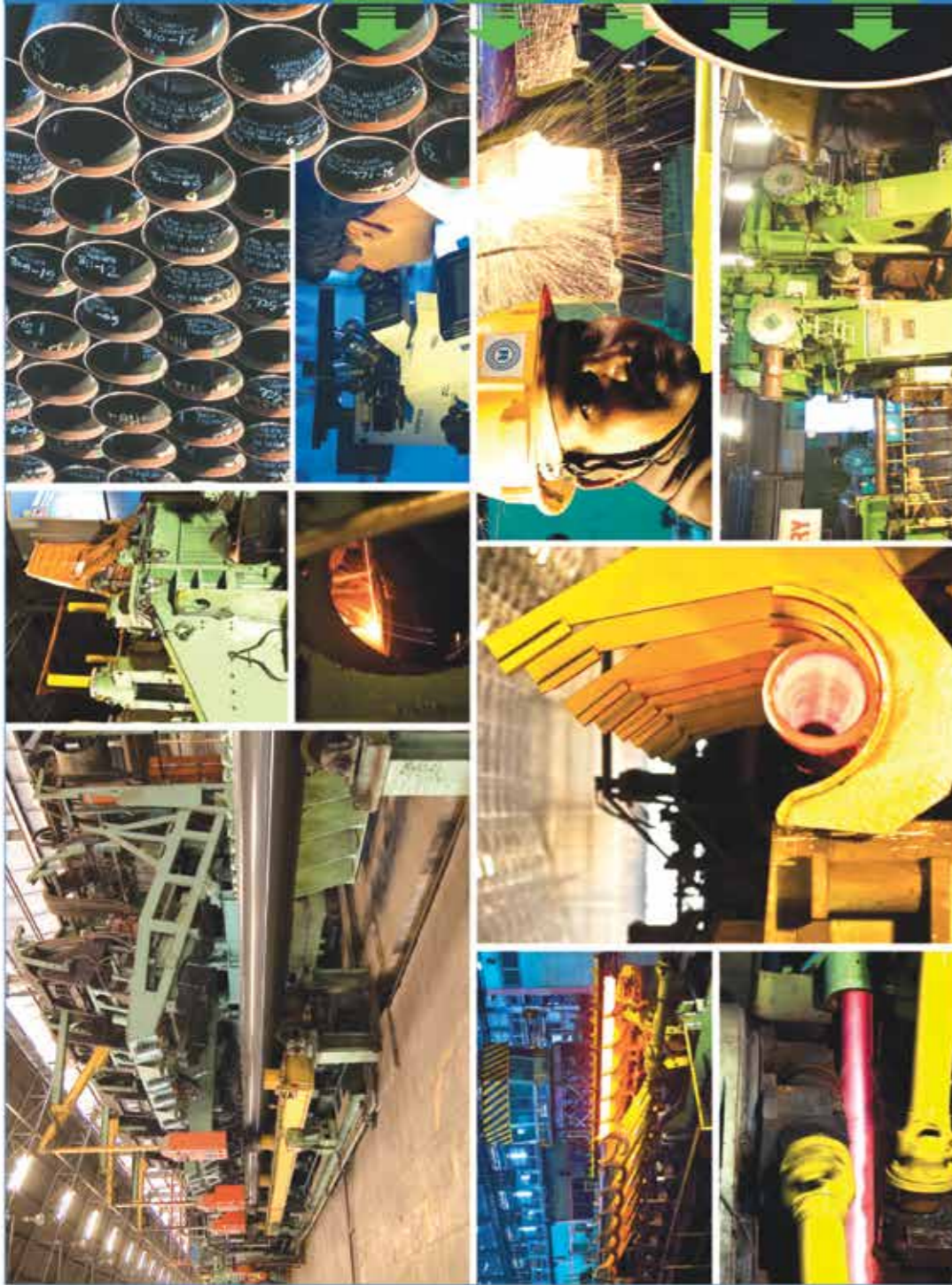
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## Delhi Dialogue VIII ASEAN-India Relations: A new paradigm 17<sup>th</sup> – 19<sup>th</sup> February 2016



'Delhi Dialogue' is an annual Track 1.5 forum for discussing politico-security, economic and socio-cultural issues between ASEAN and India. It is an important forum at which political leaders, policy makers, researchers, academicians, business leaders and media persons converge to discuss and deliberate on a range of issues pertaining to ASEAN-India relations.

The Delhi Dialogue is organized jointly by the Ministry of External Affairs, Government of India, the Federation of Indian Chambers of Commerce and Industry (FICCI) and Institute of Defence Studies and Analyses along with regional trade associations and chambers of commerce.

The ASEAN-India relationship was adapted into a strategic Partnership in 2012 and is one of the foundation of India's foreign policy and India's Act East Policy. At the multilateral level there are several institutional conventions which includes the ASEAN Regional Forum, ADMM+, East Asia Summit and the ASEAN Maritime Forum which are important initiatives for the emergence of an all-encompassing regional architecture.

The recently concluded 13th ASEAN India Summit

and 10th East Asia Summit in Kuala Lumpur, Malaysia has defined an all new trajectory for India ASEAN relations where India along with the ASEAN Member States reviewed the current status of relations and deliberated upon future directions. The formalization of the ASEAN Economic Community needs a new approach towards our engagement with ASEAN.

Keeping this context in mind and as we move towards completing 25 years of relationship with the ASEAN region, the theme of the inaugural session for Delhi Dialogue VIII was on ASEAN-India Relations: A New paradigm.

Also for the The 8th edition of the India-Asean 'Delhi Dialogue' for the first time witnessed an entire day dedicated to the business session

Inaugurating the session Mr. Anil Wadhwa, Secretary (East), Ministry of External Affairs said, "So far India, Brunei Darussalam, Malaysia, Myanmar, Singapore, Vietnam and Thailand have ratified the agreements. Lao PDR has ratified the Agreement on Trade in Services which came into force on 15 September 2015. Ratification of Agreement on Trade in Investment for Lao PDR,

ratification of Agreements on Trade in Services and Investment by Cambodia, Philippines and Indonesia is awaited. Furthermore, the ASEAN-India Trade Negotiating Committee has been tasked to undertake a review of the ASEAN-India Trade in Goods Agreement, which came into effect on 1 January 2010, to optimize utilization."

He said that enhancing India-ASEAN trade is a priority area under the new Plan of Action to implement the ASEAN-India partnership for peace progress and shared prosperity (2016-20). The Plan of Action envisages a number of steps in the areas of Trade and Investment, Finance, Transport, Food, Agriculture, Forestry, Information and Communication Technology, Tourism, Science, Technology and Innovation, and Mining and Natural Resources Management.

Mr. Wadhawa noted that negotiations on the Regional Comprehensive Economic Partnership (RCEP) have moved satisfactorily, with modalities being agreed in August 2015. "If the technical negotiations, which are underway, are completed swiftly, RCEP may turn into a dynamic reality very soon, particularly if we simultaneously succeed in forming regional value chains and production networks. With the TPP becoming a reality, expediting RCEP is in our interest," he pointed out.

The Secretary said that in order to fully utilize the potential offered by the ASEAN-India Free Trade Area, there is a need to focus on building complementarities which can generate the necessary goodwill and trust.

"Our government is keen to facilitate cross border trade between our North Eastern States and neighbouring ASEAN countries by setting up more border trade points and border 'haats'. Under the MOU on Border 'Haats' along the India-Myanmar border signed in 2012, it has been agreed to set up 9 'Haats' or markets in the states of Arunachal Pradesh, Nagaland, Manipur and Mizoram. We have two Lands Customs Stations at Tamu-Moreh in Manipur and Rhi-Zowkhathar in Mizoram, and the Land Customs Station at Moreh is being

upgraded into an Integrated Check Post," Mr. Wadhwa observed.

On the programme 'Start-up India, Stand-up India', he said the Government of India has announced a 19-point action plan in January this year for setting up of Start-ups which would work towards innovation, development, deployment or commercialization of new products, processes or services that are driven by technology or intellectual property. He hoped that the Dialogue would come up with the broad contours of an ASEAN-India ecosystem to facilitate the convergence of technology, integration across diverse fields, distributed architecture and people willing to back an idea.

"Ongoing negotiations for regional trading agreements involving Asean member states including the Regional Comprehensive Economic Partnership (RCEP) and the Trans-Pacific Partnership (TPP) has the potential to alter the regional trade architecture," he added. The dialogue has been organised by the MEA and five industry chambers as well as think tanks from New Delhi, Singapore and Indonesia.

The combined GDP of almost 4.7 trillion that Asean and India bring together defines one of the most important economic spaces to impact the lives of nearly two billion people. With the coming into force of Asean Economic Community on 31st Dec 2015 and the expected conclusion of RCEP negotiations this year, the India Asean relationship is expected to receive a shot in the arm.

it underlines industry's optimism about the enabling environment created by the Government of India and the move towards consolidating the Asean region as an economic powerhouse of Asia through the formalization of Asean Economic Community (AEC) in December 2015 and expected conclusion of RCEP negotiations this year.

However, there is a room for creating greater awareness about the specific possibility of economic cooperation with the various Asean countries and addressing NTBs of doing business

with each other. According to the survey findings, Indonesia, Malaysia, the Philippines, Thailand and Singapore are the destinations in the Asean region which are currently the most important for India's industry.

The survey has revealed that there is immense scope for systematically educating industry on the available incentives and possibility of leveraging inter-governmental economic agreements. Given the great cultural and historical affinity between India and Asean, strengthening the people to people connect has been a common response from industry, in line with the government's emphasis on popular diplomacy with Asean.

For the first time, a full day has been dedicated to a business session.

However, there is a room for creating greater awareness about the specific possibility of economic cooperation with the various ASEAN countries and addressing NTBs of doing business with each other. According to the survey findings, Indonesia, Malaysia, Philippines, Thailand and Singapore are the destinations in the ASEAN region which are currently the most important for India's industry.

It perceives a great responsibility to facilitate economic linkages between India and ASEAN. We would like our trade delegations to have significant representation from different sectors and states of India, with a special focus on SMEs. Enhanced awareness about each other's culture and our common historical heritage would bring people together in an environment of trust. Narrowing the gap between private organizations, think tanks and government in both India and ASEAN through the work of the ASEAN India Business Council (AIBC) and enhancing the potential to work on joint innovation platforms would be among our priorities for the coming year."

Considering that the 10-member Association of Southeast Asian nations, better known by its acronym Asean, has increasingly become critical to India's strategic and economic interests, such

bilateral visits are regarded with importance.

Of considerable value are the close historical and cultural ties India has with many Asean members, with tens of thousands of non-resident Indians living in these countries.

There has similarly been a steady growth in Asean-India trade, which in 2014-15 had increased to \$76.58 billion from \$44 billion in 2009-10 and just \$7.4 billion in 2001-02. The balance of trade, however, continues to be in Asean's favour, which is of concern to India. Of late, India has been exhorting Asean members to participate in "Make in India", "Digital India", "Skill India" and "Smart Cities" projects. India is specifically seeking investments in infrastructure, manufacturing, trade, agriculture, skill development and urban renewal.

Of paramount importance, along with connectivity and economics, is cooperation on defence and security. India has developed a vibrant defence relationship with some of the Asean member states.

India has the advantage of being a benign partner to Asean, considering that it has no territorial disputes with any of its member states. Neither is India perceived by any of the member states as posing a threat to them. India's discord with its maritime neighbor Indonesia over the Andaman and Nicobar Islands in the 1960s is long over. India's foreign policy towards the military junta-ruled Myanmar has been more pragmatic and Nay Pyi Taw has actually been cooperating with New Delhi with regard to use of its territory by Naga and other rebels from India's North-East. On its part, Asean would be interested in a more balanced relationship with major Asian economies, particularly with an assertive China fast attaining the label of a superpower. Some of the Asean members have territorial disputes with China over the Spratly Islands in the South China Sea. However, India will need to keep its act together, both economically and militarily and build significant indigenous capabilities in order to

be taken seriously as a balancing force.

The business sessions on the inaugural day of Delhi Dialogue VIII deliberated on Co-manufacturing Creating Manufacturing Value Chains, What do Mega Trade Blocs – RCEP, TPP mean for ASEAN and India, Infrastructure and Sustainable Energy for Realizing Indian ASEAN Economic Integration, Promoting Cross-Border Trade with ASEAN – Capitalizing on comparative Advantage and Start ups and Digitization – The Way Forward.

#### “Startups and Digitization - The Way Forward”

All India Association organized a panel discussion on “Startups and Digitization - The Way Forward” in the business session on February 17th 2016. The session was addressed by distinguished experts representing prominent international and Indian organizations .

The Panel comprised of Mr. Moe Myint Kyaw, Secretary General, The Republic of the Union of Myanmar Federation of Chambers of Commerce & Industry (UMFCCI), Myanmar, Mr. Aman Neil Dokania, Vice Chair, Asia Cloud Computing Association, Singapore, Mr. Cassey Hong Kim, Senior Fellow, ISEAS - Yusof Ishak Institute, Singapore, Mr. Sridhar Venkiteswaran, Executive Director, Avalon Consulting and OC&C Strategy Consultants, India and Mr. Anirudh Suri, Founding Partner & Managing Director, India Internet Fund, India

The session was chaired by Mr. Vijay Kalantri, President, All India Association of Industries and Chairman & Managing Director, Dighi Port Ltd.

The session highlighted that technology is fast changing hence competition and sustainability will be the most important challenges startups will face ASEAN is the 4th largest economy and accounts for 600 million Middle income group. There is an excellent potential for startups from India to cooperate with ASEAN. Young talents, SMEs and their integration are forces that will shape the future markets.

US investors are looking at the Indian startups

as India is offering them the largest market since China and already has its equivalents to FB, Twitter, etc.

The panelists discussed key issues and analyzed the outcome of startups and digitization on industry and the economy as a whole in India and the ASEAN region. The discussions focused on strategies to integrate startups from India and the ASEAN Region into global markets and to capitalize on the recent trend of digitization. The session also debated on the competitiveness of these startups in the global markets scenario.

In his opening remarks, Mr. Vijay Kalantri, President, All India Association of Industries and Chairman, Dighi Port Ltd., stated that Startups, the pet project of Prime Minister Mr. Narendra Modi, is a very ambitious plan, it also means about 100 mn jobs by 2020 and much of this is to be taken care through the entrepreneurs scheme of start ups. Also adding that if we go by world statistics ASEAN has about 38% of the startups.

Mr. Kalantri opined that though the Indian Government has announced various initiatives for startups, for the initial 3 years. Which includes no permissions required, no rules and regulations, no service taxes, no labour laws a total relaxation. But the question here is, what happens after 3 years ? Then the entrepreneur has to face challenges such as policies, taxation, zonal regulations land and other such complications that come up in the process of managing business. Also what we have to bear in mind is that 95% of startups do not break even in the first 3 years, and so these are some gray areas that need to be addressed.

Prime Minister Mr. Modi's slogan Startup India! Standup India! tis a very appropriate invitation for the youth to think about entrepreneurship because every entrepreneur creates more jobs. This is the most proactive slogan made by a political leader who has the daunting task of rebuilding the industrial sector from scratch stated Mr. Kalantri

According to Mr. Kalantri, to create better links and to realise the full potential of the ASEAN-

India free trade and cooperation agreements connectivity is important, it promotes trade, brings people closer, and integrates the economies. It is of great importance to connect the regions through road rail and maritime connectivity as well as through digital connectivity. An enhanced and well facilitated connectivity is essential for ASEAN's prosperity and continued growth.

In the same manner, it is important that through startups, entrepreneurs should connect and bring the regions closer, we usually speak of a single EU market, the Middle East Market, Africa and so on similarly I believe that we should refer to the ASEAN region as a single market, which has the potential to create a large number of startups and presents opportunities for start ups and digitization. At the same time SMEs and startups are linked together. So a single ASEAN market will make a remarkable economic force.

Referring to the importance of the ASEAN region Mr. Kalantri remarked that we always look to the West or we look to Europe why do we not look towards our neighbors, why not look to ASEAN as a whole to work together, to grow together. There are various areas such as solar energy, wind energy, digital besides many other areas where sectors can work together amongst ASEAN countries and at the same time collaborate with India.

Laying efficacy on India's relations with ASEAN Mr. Kalantri felt that there are a number of opportunities, where we can co-operate. We have the free trade agreement and various other advantages to work together, there are some areas of cooperation required to move forward and some areas of concern also and these areas need to be looked into and we need to do away with these concerns for us to move forward And to say in view of the global crisis ASEAN is one of the areas where we could seriously work with.

More importantly India has not taken advantage of ASEAN and I feel we have always been looking at the West and Europe, but now we need to look more seriously at ASEAN and we need to work in



Mr. Anirudh Suri, Founding Partner & MD India Internet Fund, Dr Cassey Lee, Senior Fellow at the ISEAS - Yusof Ishak Institute, Singapore, Moe Myint Kyaw, Secretary General, Union of Myanmar Federation of Chambers of Commerce & Industry and MD, Myanmar Makro Industry Co., Ltd. MD, Alligator Industry Co., Ltd., Mr. Vijay Kalantri, President, AIAI, Mr. Aman Neil Dokania, VP & GM HP Helion- Hewlett-Packard Asia Pacific & Vice Chairman of Asia Cloud Computing Association and Board member of US ASEAN Business Council and Mr. Sridhar Venkiteswaran, Executive Director, Avalon Consulting and OC&C Strategy Consultants, India at a panel discussion on Start-ups and Digitization - The Way Forward a session hosted by AIAI.

close proximity with these countries.

Mr. Moe Myint Kyaw, Secretary General, The Republic of the Union of Myanmar Federation of Chambers of Commerce & Industry (UMFCCI), Myanmar referring to startups and digitization and way forward commented that everybody understands that startups is the first step which is very difficult, so we really do need to have a proper strategy in many countries.

Specially in ASEAN and specially in our country Myanmar where we are all used to being single enterprises, everybody is a single enterprise and there are no private sector rules and so the corporate structure is really less there. And now there is this huge surge of startups but Myanmar is still way behind and very poor in doing business.

That is why it is so important for us to have more business facilitation as well as newer technologies. What we need is innovations and improved technologies and we need the incubation process, tax breaks, proper procedures to make start ups and business easy emphasized Mr. Kyaw.

According to Mr. Kyaw the new generation does not watch the TV any more so there is a huge digital trend, what we really need to realize is that

this digital age is changing everything.

Earlier we had only 2 TV channels and everybody would watch TV everyday throughout the country, now digitization has changed that with the huge number of social medias. We really need to integrate into the new era Mr. Kyaw opined.

Mr. Aman Neil Dokania, Vice Chair, Asia Cloud Computing Association, Singapore remarked that the ASEAN India emphasis timing is very good and it is the right time now to have this discussion. Adding that the EC was launched as of last year and President Obama in the US ASEAN conference has called to strengthen relations with leaders from ASEAN.

He went on to say that "ASEAN is a big focus if you look at it, it is the 4th largest economy put together with 600 billion people that's a huge market altogether, the question is how leveraged is the work done in the ASEAN in the areas of SMEs and startups. Adding that if we look at the ASEAN economy 90% of the business is from SMES and that drives more than 50% of employment but the exports of SMEs to ASEAN is only 10% so there is a huge opportunity for ASEAN to collaborate outside their region, SMEs really can become the backbone of ASEAN. In India 1/5 of GDP is delivered by the SME sector, obviously Mr. Modi wants to expand that.

Referring to the US ASEAN council Mr. Dokania said the members work on improving policies for putting together enhanced competitiveness to grow their business foot print and provide facilities for web portal, academic enhancement entrepreneurship development and so on SMEs are the young generation, you should also look at the more macro economy opportunities in that and it is important that one should also consider on how to have a common digital platform where there is common infrastructure for SMEs and startups to leverage so they can take in modest digital technology such as cloud and so forth.

Any startup or SME should be digital, opportunity is huge, take for example Snapdeal, Flipkart in

India . How do you facilitate SME to thrive, besides there are huge opportunities for ASEAN India to cooperate and collaborate in their region. More importantly we have to understand the need for SME and startups digital growth opined Mr. Dokania

Mr. Cassey Hong Kim, Senior Fellow, ISEAS - Yusof Ishak Institute, Singapore is of the belief that ASEAN, clearly is an important topic, South East Asia on a whole is fairly diverse not only from cultural point of view but from economic point of view the economy structures are very different if you look at countries such as Brunei and Singapore they are very distinct.

The mid level countries such as Thailand, Vietnam are fairly sizable and their manufacturing base is very much a part of global production and value chains. However, the middle tier countries have shown a slowdown in manufacturing, the sector has declined, employment was 30% now it is 20% macro pricing of important service sector is driven by digitization. We need to innovate products, increase products for startups, look at new entrepreneurs for new products or things that they have not done before said Mr. Cassey.

Also what would you do if you were confronted with a diverse market some have macro infra, some countries don't have, Singapore is 3 classes ahead and CLMV countries still need to grow.

Some countries where the financial system is not fine tuned and conclusive, startup won't work. They are faced with no financial facility, no infrastructure, 30% in these regions don't bank or rely on low remuneration. But then also you have potential for different kinds of market which overcomes such deficiency. Indonesia is new to startups,, but its success is a clear indication on how creative platforms can help SMEs that are different. These are some issues that need to be addressed believes Mr. Cassey.

Some economies like Myanmar, Thailand, Indonesia have a huge number of unregistered businesses and is very significant in today's global market,

regulation here is impossible, but for the growth of micro enterprise this is an important thing we should consider recommended Mr. Cassey.

Mr. Sridhar Venkiteswaran Executive Director, Avalon Consulting and OC&C Strategy Consultants, India opined that, we are living in era of digital and startups. Wanting to know how many from the audience would want to startup a startup?

The rage of startup has not spread what is the idea of startup. Even earlier anyways everybody was starting a startup, but now the whole new concept of venture capitalism has come into system and has started backing businesses which were very risky, a little strange but everybody wants to do a startup, but 95% fail obviously because success is iconic, imagine press a button a taxi in front of me Uber, then comes Grab-A-Taxi, Ola all have taken up the model, all it requires is one iconic success. This is one of the reasons why the young and talented continue to be interested in starting their own businesses

Mr. Sridhar wanted to know if anyone came across the term Unicorn, stating that the startup world is not driven by convention but dynamics, revenues, profits, its more about valuation the term unicorn is meant for an startup valued at most than a billion dollars plenty of Unicorn across Asia. One of the Local unicorn business is grab a Grab-A-Taxi Mr. Sridhar stated that as a consultant that I have come across many Asian markets, barring Brunei and Singapore, ASEAN markets share common characteristics which are easy to translate to business models.

Further highlighting that many countries are facing shortage of talent, India obviously. Earlier consultants were committed recruiters at college campuses. But in the current setup no students are available, all are now startups which is the key to success across Asian countries who have setup huge economy systems to incubate these firms.

Increasingly startups across countries are entering each others markets for example Zomato, India is entering Chinese economy whereas Grofers from

Malaysia is see increasing competition within ASEAN countries. These are new economies where startups is a culture of doing business stated Mr. Sridhar

Mr. Anirudh Suri Founding Partner & Managing Director, India Internet Fund, India informed that when stage venture capital fund raisers was introduced to early stage technology startups to scale up their business, by leveraging technology these businesses scaled much faster in revenue not profit.

India Internet Fund was initiated in 2012, at that time India had a lot to learn from US on the startup economy system, US provided the biggest and most prominent learnings for business ideas and model. But the last 1 to 1 ½ years the change in India has been fascinating. People have started thinking differently. India as a market is different from US and so easy for ideas like Uber to be introduced stated Mr. Suri.

Mr. Suri is of the perception that the kinds of consumers in India differ, paying capacity problems are different from the US. West was more of an inspiration, now the East is becoming an inspiration. Indian startups actively look at what is happening at startups in China people pitch saying "a similar competitor in China, they are valued at so much" and so expect themselves to be valued accordingly. And so now in the current situation opportunities at collaboration and area of cooperation are in abundance. India is one of the biggest markets for startups barring China.

As a venture capital market entry I feel government should stay away, so private markets can flourish. The Government should , make regulations, compliance, policies etc. less stringent or initiate incubation for startups. Comparison with Singapore market is not right as this is small compared to India. India is not the same as US or Singapore. Also now China has come in the domestic market commented Mr. Suri.

Some of the points that emerged during the session



- Most start ups register in Singapore so as to take advantage of the incentives.
- Startup loans and setting up facilities such as incubators is not enough, new areas of technology and digitization should be introduced
- Media plays a big role in the success of any business they should give sufficient coverage to the startups to create the much needed awareness
- Startups contribute towards employment and hence should be encouraged.
- Indian start ups should think hard about what they have to offer. A vision to integrate technology with manufacturing is essential.
- Investment in SMEs is important
- Trade Barriers is an area we need to look at
- Digitization is important as is exchange of policies in the region is important, though language is an issue

In the valedictory sessions, it was noted that the Delhi Dialogue is the ideal format for Business, Ministers and Academics in the two

regions to cooperate and engage in dialogue.

**The following points emerged:**

- 2017 is the Golden Jubilee year for ASEAN and silver Jubilee year for India ASEAN relations
- Geopolitical center of the world in now ASIA
- Integrating RVCs is important for the two regions and connectivity both physical and digital is important – soft and commercial.
- Facilitate labor movement within the region & India to facilitate e-visa for ASEAN countries.
- RCEP and TPP much complement each other.
- India and South East Asia constitute a community of 1.9 billion people, representing one-fourth of humanity and account for a combined GDP of US\$ 4.75 trillion - substantive and invigorating relationship.
- Next edition should have more Chamber meetings



Mr. Anil Wadhwa, Secretary (East), Ministry of External Affairs, Government of India with other dignitaries at the Delhi Dialogue VIII forum held in New Delhi from 17 – 19 February

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**105<sup>th</sup> Session, International Labour Conference  
Report on the Committee for  
Employment and Decent Work for the Transition to Peace  
International Labour Organization, UNO, Geneva  
30 May - 10 June, 2016**



105<sup>th</sup> Session, International Labour Conference  
Report on the Committee for

Fifth item on the agenda: Decent work for peace, security and disaster resilience: Revision of the Employment (Transition from War to Peace) Recommendation, 1944 (No. 71)

Employment and Decent Work for the Transition to Peace

International Labour Organization, UNO, Geneva

30 May - 10 June, 2016

Member States of the International Labour Organization convened for the Annual International Labour Conference, at the UNO Geneva, Switzerland, from 30 May - 10 June, 2016.

Representatives from 187 member States representing Government, Employers' and Workers' discussed Global Work Issues which included Global Supply Chains, Decent Work for Peace, Security and Disaster Resilience, Social Justice, Amendments to the Code of the Maritime

Labour Convention and the impact of the ILO Declaration on Social Justice for a Fair Globalization the discussions outlined a path for fostering peace building policies. The Delegates also reviewed the report of the Director-General on poverty.

Queenie Nair, Director, All India Association of Industries was nominated as advisor by the employers group on the committee for the Fifth item on the agenda: Decent work for peace, security and disaster resilience: Revision of the Employment (Transition from War to Peace) Recommendation, 1944 (No. 71) Employment and Decent Work for the Transition to Peace

The plenary sessions of the conference was addressed by the Hon'ble President of Swiss Confederation, Mr Johann Schneider-Amman, Hon'ble President of the European Commission, Mr Jean-Claude Juncker, and Hon'ble President of Zambia, Mr Edgar Lungu important guests of honour at the Conference.

Also known as the "World Parliament of Labour" member states discuss at liberty globally relevant

labour and social issues of importance. Delegates debate and exchange opinions on social progress in the world. An important feature of the ILC is the report presented by the ILO's Director-General which forms the background for the central theme of the conference each year.

The Committee on Employment and Decent Work for the Transition to Peace, was established by the International Labour Conference at its first sitting on 30 May 2016. The committee was originally composed of 172 members i.e 85 Government members, 23 Employer members and 64 Worker members. In order to attain equality of voting strength, each Government member entitled to vote was allotted 1,472 votes, each Employer member 5,440 votes and each Worker member 1,955 votes. The composition of the Committee was modified eight times during the session and the number of votes for each member was altered accordingly.

The elected officers of the Committee were as follows:

Chairperson:

Ms F. Kodra, Government member, Albania

Vice-Chairpersons:

Ms L. Sephomolo, Employer member, Lesotho

Mr M. Guiro, Worker member, Senegal

Reporter:

Mr N. Montague, Government member, New Zealand

The Committee held a first discussion concerning the revision of the Employment (Transition from War to Peace) Recommendation, 1944 (No. 71) to take account of the contemporary context and the need to respond to conflict and disaster situations. The Committee had before it Reports V(1) and V(2), entitled Employment and decent work for peace and resilience, prepared by the Office for the fifth item on the agenda of the Conference: "Decent work for peace, security and disaster resilience: Revision of the Employment (Transition from War to Peace) Recommendation, 1944 (No. 71). The Committee held 19 sittings.

Virtually 1.5 billion people live in international or internal conflict situations in countries where they face discrimination and violence day after day. An additional 200 million people are made to deal with volatile disaster conditions. Conflict and calamitous conditions destabilizes economies

and peoples' livelihoods thus creating decent work deficits and leading to increased poverty, inequality and social unrest. Acknowledging the importance to overcome crisis situations participants deliberated on how work can help people's transition from instability to security and support poverty reduction and socio-economic recovery.

Productive employment and decent work are key elements to achieving a fair globalization and poverty reduction. Delegates deliberated on the agenda developed by the ILO for the community of work which emphasizes on job creation, rights at work, social protection and social dialogue, with gender equality as a crosscutting objective.

Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families. Delegates discussed better work prospects for personal development and social integration, freedom for people to express their concerns and equality of opportunity and treatment for all women and men and its impact on trade and businesses.

The Committee's discussions provided the basis for developing an instrument to guide ILO constituents on the key role of employment creation and skills development, in the transition from war to peace and in the aftermath of conflict and disaster.

It therefore acknowledges the need for increased capacities to deal with situations that are at the crossroads of humanitarian, peacebuilding, disaster response and development issues. And for rebuilding the economy

The discussions provided the basis for how employment and work can help people come out of these situations, to stabilize incomes, provide jobs and income generation



### Chairperson

Ms. Kodra emphasized that the issue before the Committee was very vital because of the strategic relevance of employment and decent work responses to conflict and disaster management, for the transition to peace and recovery. Highlighting that employment and decent work, plays a crucial role in the prevention of those types of crises as well as in the transition to peace and recovery.

The Chairperson noted that the topic for discussion was very relevant to the current international context with both short and long term consequences for sustainable development and solicited the Committee's support for an unambiguous discussion and to keep in view and to respect the diversity of opinions. Following the work of the Committee, it was hoped to have a set of proposed Conclusions that would inform the discussion at the 106th Session of the Conference in 2017.

The Chairperson advised the Committee that the sitting would be dedicated to sharing comments on the proposed Conclusions in order to better inform possible amendments.

### Secretary General

The representative of the Secretary-General emphasized the strategic importance and the timeliness of a standard-setting discussion, which was highly pertinent in the present context of recurring conflicts and disasters. The topic of employment and decent work for peace and resilience was highly relevant to the realities of today; employment generation in the aftermath of conflict was essential for reconstruction and peace.

Highlighting that the Committee's discussions would provide the basis for developing an instrument to guide ILO constituents on the key role of employment creation and skills development, in the transition from war to peace and in the aftermath of conflict and disaster.

The representative of the Secretary-General recalled that Recommendation No. 71 was solidly rooted in the ILO's founding and constitutional principles that "universal and lasting peace can be established only if it is based upon social justice". The proposed revision expanded the Recommendation to include non-international armed conflicts that destabilized fragile societies and economies; and, to address disasters because of the commonalities with conflicts in terms of the impact and consequences on the world of work

and beyond

The representative of the Secretary-General also recalled that Recommendation No.71 was the only normative framework in the UN system that focused on employment creation for crisis response and that there was a need for a more comprehensive and updated instrument to provide relevant guidance to constituents from an employment and decent work perspective.

### Vice Chair – Workers

Mr M. Guiro the Worker Vice-Chairperson recalled the increase in conflicts and natural disasters; the ever-growing percentage of the world's population living in conflict-affected countries; the increased number of forcibly displaced persons; the rising number of refugees; and the emerging challenges of climate change and environment degradation affecting economic growth and employment.

He underlined that the human and economic cost resulting from armed conflicts was incalculable. The total economic loss entailed by disasters between 2005 and 2014 amounted to more than US\$1,300 billion and was disproportionately affecting women, children and vulnerable groups. While \$13 billion was spent on humanitarian interventions, less than 1 per cent of that figure was invested in prevention and mitigation measures.

Countries emerging from conflicts and disasters were faced with socio-economic pressures such as a decrease in access to, and quality of, public services, downward pressure on salaries, disruption of social protection systems, a general disregard of fundamental rights, an increase in forced and bonded labour and a rise in the worst forms of child labour and gender violence.

Mr. Guiro further stated that, Workers' organizations had a critical role to play in the post-crisis transition and generally, it was workers that were most affected by disasters and conflict, and therefore all ILO constituents needed to be involved in responses to such situations, in the spirit of mutual respect and social dialogue.

### Vice Chair – Employers

Ms. Sephomolo, the Employer Vice-Chairperson stated that the Employers' group viewed the proposed Conclusions as a very good basis for discussions and noted the emerging consensus among governments, employers' organizations and workers' organizations on how the ILO should use employment and decent work to respond

to crisis situations, whether provoked by armed conflict or natural disasters, to promote peace, recovery, reconstruction and resilience. The revision of Recommendation No. 71 was timely and necessary to equip the ILO, its constituents and the international community with an up-to-date instrument to promote peace and resilience.

Expanding employment and jobs after war or disaster should aim to provide an enabling environment for the private sector. That would entail establishing a conducive environment for micro-, small and medium-sized enterprises (SMEs), ensuring stable macroeconomic conditions that facilitated access to finance and fair competition, and promoting political stability and economic predictability.

Infrastructure would need to be rebuilt, red tape and bureaucratic obstacles reduced and corruption combated. Policy coherence for finance, trade and investment, attracting investments in job-rich sectors, such as agriculture, positioning countries in the global economy based on competitive advantage, such as resource-rich fragile States, and specific attention to youth employment and women's entrepreneurship were also important.

Ms. Sephomolo noted that reviving business activity and entrepreneurship would help economic activities resume, spur foreign and domestic investment, create jobs and yield taxes for local authorities. She emphasized that employers' organizations and trade unions were play an important role in conflict prevention and resolution but their capacities needed to be enhanced.

The Employer Vice-Chairperson noted that there was a consensus that job creation and business development were priorities for recovery and resilience. Of particular importance in this regard was the creation of an enabling environment that supported business and employment growth.

### Russian Federation

The Government member of the Russian Federation proposed that the definitions of the terms "conflict", "disaster" and "resilience" be aligned with those of the International Committee of the Red Cross (ICRC) and UNISDR. He advised that the 69th Session of the UN General Assembly had established a working group on terminology relating to disaster risk reduction, which should be taken into consideration.

### Angola

The Government member of Angola, speaking on behalf of the Africa group, emphasized that the report correctly described the changing contexts and measures to be taken and that ILO policy and strategies on decent work were essential. Strengthening the institutions promoting social dialogue and social protection as well as infrastructure development was particularly important for those most vulnerable in crisis situations, notably women, children, youth and persons with disabilities.

The role of international cooperation was important for the prevention and elimination of crisis situations. The revised Recommendation would strengthen the ILO's ability to deliver on its mandate and support the goals of the 2030 Sustainable Development Agenda.

### Japan

The Government member of Japan, speaking on behalf of the Asia and Pacific group (ASPAG), stressed that revising Recommendation No. 71 to take into account the experiences of countries in his region, which had endured several natural disasters, would make the instrument more effective and practical for each country. It was important to implement rapid and adequate employment and labour policies in countries hit by natural disasters, in addition to medical care and welfare provisions.

Drawing on his country's experience of damage caused by multiple natural disasters, he stressed the importance of: information sharing; implementing employment and labour policies from the outset; addressing occupational safety and health in reconstruction and restoration; and ensuring that specific measures were put in place for the resettlement of affected persons according to the nature of the disaster.

He concluded that the importance of swift implementation of employment and labour policies was often underestimated, those policies being essential to limiting damage and achieving a rapid recovery. In his country's experience, the inclusion the Ministry of Health, Labour and Welfare and appropriate ministries, in response to disaster coordination was crucial. Japan welcomed the opportunity to share its experience with the international community.

### Netherlands

The Government member of the Netherlands, speaking on behalf of the European Union (EU) and its Member States, noted the importance and relevance of measures to integrate refugees in labour markets and society, respecting human dignity and international human rights, and those that provided support to host communities.

He stated that Priorities should ensure the establishment of an inclusive business climate, a tailored approach to local contexts and a prominent role for host governments. Those measures should be coordinated with other UN agencies and regional and international humanitarian organizations. The ILO's strategy for addressing crises should be centred on inclusive, sustainable and equitable growth as well as decent work and the fundamental principles and rights at work.

Long-term responses to crises should include investing in institutions, building the rule of law and developing civil society. The promotion of women's economic recovery and access to resources after a crisis was noted as critical for building an inclusive and peaceful society.

### Canada

The Government member of Canada welcomed the revision of Recommendation No. 71 he noted that the world had changed significantly since it had been originally adopted and its revision would support coordinated action in the resolution of complex problems. Its objectives would be job creation and the re-establishment of national economies in both armed conflict and disaster situations. Freely chosen and productive decent employment were indispensable to promoting peace, preventing crises and reinforcing resilience. The scope of the proposed Conclusions went beyond the typical mandate of the ILO and therefore its actions needed to be coordinated with other organs of the international system.

### Philippines

The Government member of the Philippines stated that decent work should be at the forefront of crisis response. The Committee's discussion was therefore timely given the growing vulnerability of people due to climate change and armed conflict, and the revision of the Recommendation was very important for her country. Maintaining peace and security and adapting to climate change were priority reform areas for her Government. She highlighted the "Build Back

Better" principle being applied by the Philippines, in which promoting emergency employment and sustainable livelihoods was crucial to recovery. Respecting rights and providing social protection to individuals impacted by disaster, as well as the development of skills and enterprises to facilitate enhanced employment opportunities and adaptive capacities and resilience, were important.

### Chile

The Government member of Chile, speaking on behalf of the Group of Latin American and Caribbean Countries (GRULAC), supported the revision of Recommendation No. 71 highlighted that no country was free from risk with regard to natural and man-made disasters, and recalled the recent devastating earthquake in Ecuador that required international solidarity for relief and reconstruction. She opined that the world was confronted with new challenges not only from armed conflict, but also as a result of climate change, leading to internal and global migration, either forced or voluntary.

She also recalled UN General Assembly Resolution 46/182 which reaffirmed the importance of humanitarian assistance. Regarding armed conflict, she highlighted the recent progress made in Colombia towards achieving peace through social dialogue, humanitarian law and fundamental principles and rights at work. Achieving sustainable peace also entailed the provision of training opportunities and decent work.

### Senegal

The Government member of Senegal expressed that as many workers were now excluded from the world of work and many forms of atypical work were prevalent, the international community needed to combat poverty, reduce inequality and extend protection to the most vulnerable.

He described the Emerging Senegal Plan, a national poverty reduction strategy which emphasized: (a) structural transformation of the economy and growth; (b) human capital, social protection and sustainable development; and (c) governance, institutions, peace and security. Its public policy and programme provided the framework for the country's national employment policy, food security strategy and social protection strategy.

He was of the opinion that the revised Recommendation should reinforce the importance of the Declaration on Fundamental Principles and Rights at Work and the Social Justice Declaration.

The instrument should recommend that labour administrations and public employment services be reinforced to enhance capacities for implementation.

### Egypt

The Government member of Egypt was of the opinion that the ILO's efforts, were timely and important given the diversification of crises and disasters necessitating different measures of rapid response. The revision of Recommendation No. 71 was needed to achieve long-term solutions based on decent work. Mechanisms should include job creation, investment in SMEs, infrastructure and multinational activities, with a focus on youth. Evaluation of the impact of programmes on the labour market was vital. Education, as well as vocational training and attention to the informal economy, were needed for recovery. Similarly, it was necessary to focus on livelihoods, health care and building social protection floors. He welcomed the efforts to improve and adapt existing instruments and increase support to developing countries suffering from conflict and disasters.

### Turkey

The Government member of Turkey agreed that the world of work was central to finding permanent and comprehensive solutions for crises, and gave the example of the Syrian refugee crisis. While some positive effects in terms of consumption and employment were evident in the short term, medium- and long-term migration flows caused increases in labour supply and downward pressure on wages and jobs for local communities.

Additionally, these posed challenges for enterprises and people were being forced into the informal economy. Since 2014, Turkey had been the largest refugee hosting country, with over 3 million refugees being granted protection in full observance of international principles. New regulations eliminated sectoral restrictions and established minimum wages and social security benefits, granting Syrians the same rights as Turkish nationals.

The majority of Syrian refugees were unskilled, therefore active labour market policies were being implemented which promoted vocational training and institutional capacity building. Acknowledging ILO projects in Turkey and neighbouring regions, she observed that increased global cooperation was needed to share the burden and more support to neighbouring host countries to address refugee crises.

### Switzerland

The Government member of Switzerland commended the ILO for its report which provided a solid basis for the discussion of the revision of the Recommendation, which was urgently needed. He stressed the importance of providing relevant guidance to governments for the promotion of employment in the transition period from war to peace. Responses to crises needed to take into account varying national and regional circumstances. The proposed instrument should be anchored in the mandate of the ILO and not systematically and disproportionately promote state interventionism. Rather, it should support employment promotion, the strengthening of public institutions, social protection, social dialogue and respect for fundamental rights at work.

### United States of America

The Government member of the United States highlighted the important role of decent work and international labour standards and highlighted the need for the instrument to include internal conflicts and natural and man-made disasters, all of which shared similar characteristics of instability, insecurity, poverty and inequality. An employment-focused response was warranted to address the destruction of livelihoods, businesses and workplaces. Support for government institutions providing basic needs, social protection and law and order was also needed. Being at the crossroads of development, humanitarian and peacebuilding efforts, crisis responses tended to overlook decent work, addressing basic human needs.



### India

The Government member of India welcomed the proposed instrument and advised that his country had a legal framework and institutional mechanisms to deal with conflict and disasters

the nature and magnitude of which had changed over time, making crisis management vital and complex. Wherever a national legal framework existed, it should prevail over outside regulatory frameworks.

He stressed that employment and decent work for peace and resilience, as part of sustainable development, contributed to making communities and nations socially, economically and ecologically sustainable.

#### **Cuba**

The Government member of Cuba stated that the UN system and the international community shared a major responsibility to strengthen national capacities to respond to crises. The principles for humanitarian assistance set out in UN General Assembly Resolution 46/182 should be respected and he cautioned against using ambiguous concepts that could potentially undermine the sovereignty of States.

#### **Pakistan**

The Government member of Pakistan acknowledged the paramount importance of adapting response measures to national circumstances and the nature of crises. He was of the opinion that based on the experience of the ILO. They should take into consideration the role of non-state actors. As countries faced with crises suffered significant economic loss and disruption of normal activity, response measures could not be limited to employment. It was of critical importance that the proposed instrument did not place unnecessary obligations on countries already grappling with the impact of a crisis. In that regard, further consultations take place with the member countries of the G7+ and a report be submitted to the Governing Body in March 2017.

#### **Belgium**

The Government member of Belgium acknowledged the importance of the revision of Recommendation No. 71 given the current context where the world was facing a changing demography and a growing number of civilian casualties, internal conflicts, refugees, internally displaced persons and tragic accidents. The number of persons being displaced due to climate and environmental changes was also on the rise. A growing number of countries, including his own, were tackling the threat of terrorism. He subscribed to the concept of fragility and resilience introduced in the proposed Conclusions, as well

as the rights-based approach of the ILO which stressed the importance of equality. In the current context, decent work played an important role in assisting countries in crisis situations.

#### **Sierra Leone**

The Government member of Sierra Leone, aligning with the statement of the Africa group, said that it was necessary to revisit the Recommendation in the wake of an increasing number of disasters arising from climate change and epidemics. Her country had suffered from armed conflict and continued to face unemployment, underemployment and informality, which were disproportionately affecting youth and women. It was in that context that Sierra Leone was implementing its Agenda for Prosperity.

#### **Kuwait**

The Government member of Kuwait, speaking on behalf of the Gulf Cooperation Council (GCC) countries and Yemen, stated that the revision of Recommendation No. 71, should consider the different stages of recovery, be it from conflict or disasters. Support from the international community was important to assist crisis countries. He requested the inclusion of a reference to early warning on industrial and man-made disasters, in line with the Prevention of Major Industrial Accidents Convention, 1993 (No. 174).

#### **China**

The Government member of China, opined that job generation, social protection and active labour market policies played an important role in addressing crisis situations. China, frequently affected by natural disasters, had taken serious measures to enhance employment: employment subsidies; infrastructure development; tax credits for companies hiring affected workers and/or providing training; and job search assistance. These were all important measures that stabilized the labour market and built economic resilience and social stability

#### **Colombia**

The Government member of Colombia highlighted the relevance of the discussion to his country, where conflict resolution had been under discussion for over 50 years. To achieve sustainable peace, a better standard of living, better working conditions, decent wages, improved education and health care and access to credit were necessary. Sustainable peace would create opportunities for

work, address gender discrimination and improve access to training for youth.

#### **United Nations Office at Geneva - UNOG**

The representative of the United Nations Office at Geneva (UNOG) stated that since 2008 the number of active civil wars had nearly tripled and 60 million people were forcibly displaced worldwide. Warfare undermined employment and the right to work, which in turn perpetuated violence. Restoring peace largely depended on securing sustainable employment, which he stressed as being of particular importance for women, youth and ex-combatants.

He confirmed that, in the current environment, updating Recommendation No. 71 was both timely and critical, and the UN had supported, and would continue to support, the ILO to forge a common approach across the UN agencies. Those efforts included the UN Integrated Disarmament, Demobilization and Reintegration Standards (2006) and the UN Policy for post-conflict employment creation, income generation and reintegration (2009). Multilateralism and better coordination could provide a unique way for the UN to work as one, and he suggested that agencies that worked in relief and development efforts could incorporate potential employment impact into their operational planning.

#### **United Nations Entity for Gender Equality and the Empowerment of Women - UN Women**

The representative of the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) recalled that the challenges women faced in the world of work included finding and keeping decent jobs, the unequal earning power of women and men, the imbalance between paid and unpaid work and difficulties in gaining access to adequate social protection. Those challenges were compounded in conflict and post-conflict situations. In research undertaken by UN Women and its partners, it was noted that during and after conflict women had higher labour force participation and their earnings and spending patterns could positively contribute to post-conflict stability. Recovery interventions should focus more systematically on women's engagement in economic reconstruction. Efforts to increase women's access to decent employment should also address the structural constraints to women's inclusion and participation in economic activities.

#### **United Nations Office for Disaster Risk Reduction - UNISDR**

The representative of the United Nations Office for Disaster Risk Reduction (UNISDR) recalled that the Sendai Framework for Disaster Risk Reduction 2015–2030 already provided overall guidance for reducing existing levels of disaster risk, preventing the creation of new risks and reducing losses linked to disasters. Strong cooperation and shared responsibilities were encouraged between central and local authorities, civil communities and various public and private stakeholders. She stressed that the promotion of resilient employment and livelihoods needed to be an integral part of preparedness. The provision of equitable work opportunities, decent and safe working environments and social protection represented fundamental components of a successful strategy to ensure resilience and achieve development as part of the 2030 Agenda for Sustainable Development.

#### **United Nations Educational Scientific and Cultural Organization - UNESCO**

The representative of UNESCO recalled that UNESCO's Recommendation concerning Technical and Vocational Education and Training (TVET) had very recently adopted a new Strategy for TVET (2016–2021), which aimed to establish national, regional and international tools and mechanisms of fair and transparent recognition of skills and qualifications. It also focused on persons with disabilities, indigenous peoples, ethnic minority groups, refugees and persons affected by conflicts or disasters, as well as unemployed persons and vulnerable workers.

Further highlighting that ongoing armed conflicts were having a disastrous impact on education in affected societies, and every effort needed to be made to deploy and uphold the right to education and training in conflict and post-conflict contexts towards achieving decent work, social cohesion and resilience.

#### **United Nations Development Programme - UNDP**

The representative of the United Nations Development Programme (UNDP) concurred that employment played a central role in preventing crises, enabling recovery and building resilience. To that purpose, the active participation of the private sector through business operations that created jobs and economic opportunities was crucial.

She analyzed that a comprehensive approach, such as the one proposed by the revision of Recommendation No. 71, was needed to leverage the efforts of governments, the private sector and humanitarian and development actors to harness the full potential of employment in preventing crises, enabling recovery and building resilience.

#### **United Nations High Commissioner for Refugees - UNHCR**

The representative of the United Nations High Commissioner for Refugees (UNHCR) regretted that the world was witnessing the highest number of forcibly displaced persons since the Second World War and that voluntary repatriation was at its lowest since the 1980s. However, the number of refugees being offered comprehensive local integration remained limited. By providing access to income, work could enable forcibly displaced persons to live in dignity.

The right of refugees to work was specified in a number of international and regional instruments. Nevertheless, legal barriers remained for many refugees and some States had used national legislation to prevent refugees from working. In 2015, only 20 per cent of refugees reported having the legal right to work. He expressed concern that, in the absence of a conducive legal framework, many refugees might end up working in the informal economy. Not only was allowing refugees to work a development mandate, outlined by Goal 8 of the 2030 Agenda for Sustainable Development, but research showed some positive economic impacts.

#### **Coordination of Humanitarian Affairs - OCHA**

The representative of the Office for the Coordination of Humanitarian Affairs (OCHA) highlighted the crucial role played by the private sector and cash transfers in mitigating the impact of crises. Concerning the role of the private sector, she gave two examples: the Philippines where the Government had recognized the critical role played by the private sector in reviving the local economy; and the Ebola crisis where a coalition of private companies had provided support and protection to employees and families. She confirmed how the role of business, and hence employment, was important in the recovery from a humanitarian crisis and highlighted the strong interconnections between social causes, employment and the private sector.

#### **Public Services International - PSI**

The representative of Public Services International

(PSI) stressed that public service workers – for example, firefighters, police, health service workers and educators – were at the frontline in disaster and conflict response and should be at the heart of a revised instrument. They needed continuous training, good equipment, occupational safety and health and social protection to carry out their work effectively. A lack of labour rights was an impediment to their effective response, and the move towards the privatization of public services was of serious concern. Decent work was the cornerstone for peace and resilience, and capacity building for public service workers, for example in the area of labour rights, should be strengthened.

#### **Speeches**

##### **Speech of the Hon'ble Johann Schneider-Ammann, President of the Swiss Confederation at the opening day of the 105th International Labour Conference,**



Swiss President Johann Schneider-Ammann, called on the ILO's constituents to engage in earnest consideration of the future of work and ensure they can occupy a central position in discussions of the measures required to prepare for the changes taking place.

"The standards supervisory system must be adapted to the realities of the world of tomorrow, so that the ILO can fully discharge its mandate for social justice in the twenty-first century," he stated, announcing that Switzerland intended to be fully involved in the commemoration of the ILO centenary in 2019 and the future of work initiative launched at the same time.

Mr Schneider - Ammann recalled the role Switzerland has played since the ILO was founded, and underscored the values shared by his country and the ILO, in particular with regard to social justice.

Recalling that the "future of work is jobs for the young," Mr. Schneider-Ammann emphasized the need to invest in basic education and in the occupational training able to facilitate, in his words, "access to qualified, productive and lasting employment." For that, he explained, enterprises have to play an active part in enabling the rapid integration of young people into the labour market.

Further stating that "Switzerland is proud to have helped change the view of human beings as factors of production". Adding that "With decent work, the ILO has placed the individual at the centre of economic activity in a spirit of solidarity,"

Speaking as the President of the Swiss Confederation and as the Swiss 'Minister for Economic Affairs and Labour', Mr. Schneider-Ammann apprised the delegates of several values shared in Switzerland, which can promote the economic growth needed to generate decent jobs. He referred in particular to macroeconomic and institutional stability, effective social dialogue, economic freedom, training and innovation, inclusive social protection, and – the linchpin – the social partnership between those with a stake in the world of work.

Further stating that "Switzerland and the ILO undeniably have much in common. We have shared principles of openness, dialogue and human dignity."

Mr. Schneider-Ammann concluded by inviting the delegates to act with "courage and innovation." He suggested that the Global Jobs Pact adopted by the International Labour Conference in 2009 be updated.

##### **Speech of the guest of honour Mr. Jean-Claude Juncker President of the European Commission, at the Plenary Session.**



As a guest of honour of the Conference, the President of the European Commission addressed some 5000 delegates from governments, employers' and workers' organizations from the 187 member States of the International Labour Organization (ILO) in a special sitting at the Palais des Nations in Geneva.

Addressing the delegates Hon'ble Mr. Juncker said that if real prosperity is to return to the European Union "social dialogue and the dialogue on economic issues must go together". Adding that "The challenge for us is to adapt our workplaces without compromising our fundamental values."

In a wide ranging speech, Mr. Juncker spoke about the impact of the economic crisis on member states of the European Union, particularly on youth. "The crisis isn't over and isn't going to be over until we have full employment," he was of the opinion that, "young people deserve a job, a career."

Mr. Juncker also commended the ILO for having put the decent work agenda at the heart of the international policy debate, at the highest level.

##### **Speech of Shri Bandaru Dattatreya, Hon'ble Minister of Labour and Employment, Government of India at the Plenary Session.**

The productive relationship between India and ILO is as old as ILO. I take this opportunity to convey the appreciation of Government of India for this unique tripartite forum which has been working towards its founding mission that social justice is essential to universal and lasting peace. We appreciate the way that ILO has adopted itself to the emerging challenges and concerns in the world of work.

India is one of the fastest growing economies of the world. We continue to maintain a high growth rate of 7.6% in 2015-16. We have one of the biggest domestic market and demand in our country. We understand our responsibility in the global order and are committed to work towards an equitable and inclusive society.

The Government of India under the able guidance of Hon'ble Prime Minister Mr Narendra Modi is following the approach of 'Reform to Transform' through far-reaching structural reforms. We are committed to job security, wage security and social security for each and every one.

Employment Generation is the first priority for Government of India. After going through a decade of jobless growth we are working on a



comprehensive strategy to bring employment to the core of our development. Promoting industrial activity through Make in India, enhancing employability through Skill India and encouraging innovation and entrepreneurship through Start up India, are a few examples of transformative initiative that my government has taken in last two years.

We have developed a National Career Service Portal to facilitate the youth to get information of availability of suitable jobs. 100 Model Career Centres are being established across the country that will guide youth of India to the employment opportunity and related career counseling. So far 35 million job seeking youth and 1 million employers have registered on this platform.

Social security for all continues to be the heart of our development goals and various initiatives by the Government at large and Ministry of Labour and Employment in particular are underway. While there has been a series of governance reforms in the delivery of service for organized worker, we have taken some game changing decisions for unorganized workers. We are working on extension of health care facilities that are available to organized workers for a large segment of unorganized workforce including voluntary workers, domestic and construction workers.

With a renewed commitment for eradication of bonded labour, we have escalated our Rehabilitation of Bonded Labour Scheme by increasing the quantum of financial assistance by 5 times from Rs. 20 thousands to minimum Rs. 100,000. This financial assistance is greater for the most deprived and marginalized and for women and minors and the money would remain in the annuity account thus ensuring a monthly earning that will flow to the beneficiary account for his/her comfortable living. Further, the revised scheme

aims to address new forms of bondage such as organised begging rings, forced prostitution and child labour for which females, disabled and the transgenders are mercilessly used by the powerful elements. We are also strengthening the National Child Labour Protection (NCLP) project through appropriate coordination with states and increased budgetary support.

India's massive financial inclusion program has enabled opening of over 200 million bank accounts for unbanked persons. India is using AADHAAR, a unique personal identification system, as a backbone for targeted delivery of financial subsidies and benefits. A 100 million such AADHAAR cards have been provided till date.

We look forward to the continued partnership with ILO for promoting the objectives of decent work and sustainable development goals. I wish ILO and its constituents a great success in their present and future endeavors.



*Shri Bandaru Dattatreya, Hon'ble Minister of Labour and Employment, Government of India and Captain Abhimanyu, Minister for Finance, Revenue & disaster Managaement, Excise & Taxation, Planning, Law & Legislative, Institutional Finance& Credit Control, Consolidation and Rehabilitation, Govt. of Haryana with other delegates*

### **ILO Director-General's opening remarks to the 105<sup>th</sup> International Labour Conference**

At the opening of the Conference, ILO Director-General Guy Ryder highlighted that the world of work is rapidly changing, which creates innovative and productive employment opportunities, but also generates inequality and polarization in our societies. He went on to state that the ILO has

worked with its member states to pursue solutions to such issues in the world of work, and will continue to expend its utmost efforts in the future. Noting that the agenda of this Conference covers essential topics that need to be addressed in order to solve the issues faced by the world of work, he expressed his anticipation to see productive discussions during the conference.

Mr. Ryder also told delegates that they must assume the responsibilities of the ILO's social justice mandate if the benefits of transformative change at work are to be realised.

Inequality, marginalisation and division are not phenomena to which the world of work must react but "the consequence of what we do, how we behave, what we decide," he said in opening remarks to the 105th session of the International Labour Conference (ILC).

The Director-General noted that the world has entered an era where technology is generating innovate disruption of productive life. The debate amongst those who celebrate and those who dread such developments takes place against a background of inequality, marginalisation, and division.

Introducing his report to the ILC, this year entitled The End to Poverty Initiative: The ILO and the 2030 Agenda, emphasized that, "The very wealth creating capacity that offers the prospect of consigning poverty to history also risks taking us further away from social justice rather than carrying us towards it."

The Director - General called upon delegates to have this broader context in mind as they went about their work in the coming fortnight. Committees of workers, employers and government representatives will be considering how best to promote decent work in Global Supply Chains, and revising Recommendation 71 - the ILO instrument providing guidance for responding to crisis through employment and job creation.

Another committee will evaluate the landmark 2008 ILO Declaration on Social Justice for a Fair Globalization, looking at how the Declaration has been promoted and implemented in the past and asking what more can be done to improve the application of the Declaration to meet decent work objectives in the future said Mr. Ryder.

Mr. Ryder encouraged the continuing work on reviewing Labour Standards by the Committee on the Application of Standards, noting that "a strong,



authoritative and relevant standards system is a precondition of an effective, influential ILO".

The Director-General noted that the world has entered an era where technology is generating innovate disruption of productive life. The debate amongst those who celebrate and those who dread such developments takes place against a background of inequality, marginalisation, and division. "If current trends towards and beyond already unacceptable levels of inequality are allowed to continue ... ultimately all will be losers.

### **Speech of Shri Shankar Aggarwal, Secretary (Labour and Employment), Government of India addresses the Plenary session.**

In September 2015, the world came together to adopt the 2030 Agenda for Sustainable Development. Goal 1 on eradication of poverty and Goal 8 on achieving full and productive employment are at the center of 2030 Development Agenda and we recognize ILO's significant contribution in this success. It is therefore, befitting that ILS is discussing DG's Report on "The End to Poverty Initiative: The ILO and 2030 Agenda" which shows a strong interconnect with 2030 Agenda and displays a similar vision.

India shares with ILO, a deep respect for rights of workers and is committed to the agenda of inclusive and sustainable development. A sustained high rate of economic growth coupled with focused initiatives for employment generation and universalization of social security define the growth strategy for India. Deliberations at fora like G20, BRICS and here at ILO assure us that this strategy enjoys support of global community and we are confident that our collective efforts will lead us to achieve our targets in the 2030 Agenda.

India's response for poverty eradication can be seen in our initiative for financial inclusion and social



ensure that cases of noncompliance are taken up on priority.

India appreciate the agenda items placed for discussion in this ILC. In the era of globalization, promoting labour mobility particularly for the youth is essential in order for them to have access to best opportunities across the global value chain. Advocating decent work in global supply chain is also essential for ensuring safe working conditions and protection of labour rights across the entire value chain. The proposed revision in the scope of Transition from War to Peace Recommendation, 1944 (No.71) is critical and highly sensitive. It requires a very calibrated handling. We are closely following the deliberations while firming up our views.

India appreciate and support ILO in its drive to promote rights at work, encouraging decent employment opportunities, enhancing social protection and strengthening dialogue on work-related issues.

#### **Speech of Mr. Arun Chawla, Employers Delegate, India at the Plenary Sessions**

Mr. Chawla remarked that the conference is taking place at a time when global economic cues are not very healthy and recovery is only fragile; Global trade is expected to remain sluggish at 2.8 percent unchanged from 2015; Unemployment has already crossed 206 million mark in 2015, about 327 million people are living in extreme poverty and 967 million people experience multidimensional poverty in health, economic opportunities and living standard. In this global setting, Director General's Report on "The End to Poverty Initiative: The ILO and the 2030 Agenda" is significant.

'Employment Generation' which is the principle tool to end poverty is yet to recover since the last financial crisis. Global employment grew at an average annual rate of 1.7 percent between 1991 and 2007, but has slowed down to 1.2 percent per annum between 2007 and 2014. On current trends, unemployment will continue to rise as the labour force expands and if new labour market entrants are taken into account, 280 million jobs will need to be created over the next five years. Addressing these challenges would require new strategies, effective partnership and leveraged capacities. It's a clarion call to the entire UN system to work in unison to achieve this ambitious target spelt out by SDG-8 in terms of growth and decent work for all.

security, improved wage policies, skill development and a comprehensive approach for creating a conducive environment for overall economic growth, infrastructure development, innovation and entrepreneurship. India firmly believe that poverty can be eradicated only by creating jobs at every level: social as well as geographical. India is committed to provide quality jobs to each and every worker in the country. Major initiatives like Make in India, Digital India, Skill India, Start up India and 100 Smart Cities are focused on creating quality jobs for everyone in every corner of the country.

India's public employment services are being strengthened to facilitate India's youth to get job best suited to their qualification and aptitude by providing updated information even in the far flung rural areas. National Career Service (NCS) Project is being implemented using technology to provide a variety of employment related services like job postings, career counselling, vocational guidance, skill courses, apprenticeship, etc. The portal has successfully registered over 35 million candidates and 1 million establishments. The NCS portal is collaborating with leading private players in the field to enhance the effectiveness of the portal.

Ministry of Labour and Employment is committed to protect and safeguard the interests of the workers, in particular the poor, deprived and disadvantaged sections of the society.

India is working to ensure better and effective enforcement of Labour Laws and to create a conducive environment for job creation by bringing in the necessary ease in compliance of provisions related to labour. A portal called ShramSuidha Portal has been developed augmenting inspection mechanism such that inspection are more objective and 771 targeted to

He opined that growth is a panacea for employment generation and poverty alleviation, and experience has shown that where globalization policies have been pursued fully, it helped people to come out from poverty and join the economic mainstream, as compared to countries where policy impediments hampered 'choice of investments' and 'freedom of enterprise'. Therefore, the process of globalization should continue, removing all barriers to investment and employment. Small and Medium size enterprises are the real growth engine of global economy and employment generation.

Estimates suggest that more than 95 percent enterprises across the world are SMEs accounting for 60 percent of private sector employment. Two third of all formal jobs in developing countries and up to 80 percent jobs in low income countries come from SMEs. ILO support to enterprise development programs, should receive sharp focus in coming years. Informal sector which forms critical part of the supply chain in developing and underdeveloped countries, is falling short of decent work.

A comprehensive labour policy to impart quality to the informal sector jobs and provide flexibility to the formal sector operations, is the need of the hour. We fully support decent work in supply chains. Skill and Training is key to promote employability and income security. ILO should design global programmes for skill development across countries and allocate higher resources.

Multilateral agreements need to be entered into for creating 'skill corridors' to facilitate migration of the skilled people, to remove the danger of global divide between 'skill concentrated' and 'skill starved regions'. Madam, environmental degradation and climate change will increasingly require enterprise and labour markets to adjust for sustainable development, and SDG 8 rightly provides for developing guidelines for decoupling economic growth from environmental degradation.

Social Protection is also one of the four strategic objectives of ILO. But only 20 percent of the global population is covered by formal social security coverage. Employers in India fully support the view that access to adequate social protection is a basic human right. Madam, our journey into the 21st century is one and a half decades old and yet, poverty, hunger, illiteracy, unemployment are quite pronounced.

Highlighting that to address these issues meaningfully and within the time frame, a global

partnership for development is called for.

#### **Speech of Mr. C. K. Saji Narayanan, Workers Delegate, India at the Plenary Session**

Once again we have assembled here to act together for the betterment of the world of work. Before it completes 100 years, ILO can be proud of having left a trail of achievements for those who have painfully toiled to build a world to live in. Last year ILO created history by addressing the woes of the informal sector. Recommendations are not toothless tigers if member states approach it with a visionary zeal. This time the endeavour on discussions on global supply chain should lead to the adoption of a useful convention. The mass migration of labour from war zone to Europe is major labour problem for want of appropriate frame of laws stated Mr. Narayanan.

Even though India is not so much integrated to the global supply chain, it has shown its presence in the manufacturing, agriculture and service sectors.

Majority of the supply chain garment workers in India are women. Long working hours, hazardous working conditions, sexist assaults and other forms of harassment, lack of basic services such as first aid, drinking water and sanitation affect women workers. Women are often fired from their jobs during their pregnancy. Migrant workers are also vulnerable in global supply chains. Craze for FDI compels national governments to ignore the decent work contents. Hence the gaps created in the fundamental principles and rights at work by modern workplace practices have to be removed. The demand for establishing a global inspectorate is to be seriously deliberated. A new convention on tripartite fast track courts to deal with labour cases is needed. ILO's fund allocation will have to be in proportion to the labour density of member countries.

Globalisation during the last two decades has raised innumerable challenges especially to the developing countries and LDCs. It propagated a reform process where Governments were asked to withdraw from areas like finance, banking, public sector, labour, price control, market etc. In countries where larger population is still in the informal sector, Governmental assistance is a must in their developmental trajectory. Economic growth should go along with protecting workers' rights and employment generation. Hence it is high time to rethink about the unfettered acceptance of globalisation as a world order. Hence a revisit into the declaration on fair globalisation is most



appropriate. We should examine how far the MDG programme was successful, and then work hard for the new SDG programme proposed.

In spite of all these adverse factors, the world of work is seeing signs of relief to billions in the near vicinity, thanks to the tireless efforts of the tripartite functioning of ILO. Hope in the coming days we will be able to collectively find out ways to sooth the woes of the world of work. Let us jointly build a better world to live in.

**Speech by Ms. Queenie Nair, Employer Committee India, at the Closing Plenary**

Queenie Nair highlighted that "We all belong to different nations, continents and cultures. No matter where we have travelled from to be here, all must agree that our economies are driven by different business models and more important globalization, businesses and markets."

She stated that it becomes all the more vital for governments, employers and workers to be more responsible towards employment and decent work for peace and resilience.

Further asserting that the role of the private sector is critical to realize full, productive , freely chosen and decent employment . And that it was pleasing that the Committee had unanimously agreed on these guiding principles whichare also captured in sustainable development goal number 8.

Emphasizing that equally important is the need to



promote an enabling environment for enterprise development particularly SMEs. She pointed out an important reference document for this is the 2007 conclusions on sustainable enterprises. Which conclusions focus on the need to:

- Promote peace and resilience
- Good governance
- Social dialogue
- Respect for human rights
- Promotion of an entrepreneurial culture
- Sound and stable macro economic policy
- Trade and sustainable economic integration
- Enabling legal and regulatory environment
- Rule of law and property rights
- Access to financial services
- Physical infrastructure
- Information, training and life long learning



H.E. Mr. Ajit Kumar, Ambassador and Permanent Mission of India to the United Nations in Geneva and Mrs. Kumar hosted a dinner reception for the delagtes at the India House in Geneva

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## AIAI leads business delgation to Khanty-Mansiysk to attend VIII International IT Forum with the participation of BRICS and the SCO countries



The VIII International IT-Forum was convened in Khanty Mansiysk 8-9 June 2016, organized by the Government of the Khanty-Mansiysk Autonomous Okrug – Ugra along with Tomsk Region Administration and Chamber of Commerce and Industry of the Khanty-Mansiysk Autonomous Okrug – Ugra.

The Forum “Digital Region: Construction kit of the new opportunities for citizens” targeted to assemble new digital reality and facilitated discussion on the relevant issues on IT development and implementation in various spheres of life, exchange of best practices between BRICS and SCO countries and provided a platform for the demonstration of technological capabilities of domestic developers of IT-products to Russian and foreign specialists.

The key highlights of the forum was the Conference on “Media and Information Literacy and the Formation of an Open Government Culture” organized under the auspices of UNESCO.

The two-day program included more than 20 primary events in the Concert and Theater Center “Ugra-Classic”, congress and exhibition center “Ugra-Expo” and the Chess Academy, where the topics of e-government, import and export capabilities of the Russian IT solutions, telemedicine, IT in culture, education, tourism, fuel and energy complex and other topics were discussed.

The VIII International IT-Forum convened in Khanty Mansiysk on June 2016, The background of the main theme of the Forum

At the invitation of Ms. Alfiya A. Pavkina, President, Chairman of the Board the Chamber of Commerce and Industry of Khanty-Mansiysk Autonomous Okrug – Ugra The All India Association of Industries (AIAI) led an official Mission to Russia from July 06 - 09, 2015. The mission was headed by Ms. Renu Verma Director, All India Association of Industries and was accompanied by Ms. Khyati Naravane, Asst. Director, World Trade Centre Mumbai.



The VIII International IT Forum was organized by the Government of the Khanty-Mansiysk Autonomous Okrug-Ugra along with Tomsk Region Administration Okrug- Ugra.

**The forum was inaugurated by Ms. Natalia Komarova, Governor of the Khanty-Mansiysk Autonomous Okrug – Ugra, Russia (Centre).** Ms. Komarova in her keynote address emphasized on exploring new informational horizons for expanding businesses and humanitarian ties. Ms. Komarova encouraged the delegates and the government representatives to have mutual dialogue in Information and Communication field for better prospects. She announced the signing of Memorandum of Understanding (MoU) among the BRICS countries for setting up telemedicine services which was initiated 2 years back at the IT-Forum.

Representatives from 48 countries including partners from BRICS and SCO members participated in the VIII International IT-Forum. Eminent dignitaries present at the Inauguration session were:

- Nikiforov Nikolay Anatolievich - Minister of Communications and Mass Communications of the Russian Federation
- Ms. Faith Muthambi- Minister of Communications of South Africa
- Mr. Kochofa Anicet Gabriel - Ambassador

Extraordinary and Plenipotentiary of the Republic of Benin in the Russian Federation

- Evgeny Kuzmin - Deputy Chairman of the Intergovernmental Council for UNESCO

AIAI led a trade delegation comprising of the delegates from different sectors

Dr. Manish Arora, Joint Director, National Institute of Electronics & Information Technology (NIELIT)

Mr. Avidutta Barsode, Chief Executive Officer, Relief Phytopharmaceuticals

Mr. Suresh Sharma, CEO, Jyoti Enterprises

### Development of Cooperation in the IT-Sphere among BRICS Entrepreneurs

All India Association of Industries and World Trade Centre Mumbai officials actively participated in the Strategic Session which was organized on June 9, 2016. The objective of the session was to explore various opportunities amongst BRICS Regions to explore the business opportunity, IT investment opportunities, investment and inter regional cooperation. The Strategic Session was chaired by Mr. Zabozaev Alex G., Deputy Governor of the Khanty-Mansiysk Autonomous Okrug – Yugra and moderated by Mr. Epishkin Vladislav S., Director of the Department of electronic technology and the development of services of the Chamber of Commerce and Industry of Russia and Mr. Igor Chertov, President of Chamber of Commerce and Industry of the Khanty-Mansiysk Autonomous



Okrug.

### Creating Compatible integrated telemedicine systems in BRICS countries

One of the key events of the VIII International IT Forum was the signing of the Agreement on the establishment of The International Telemedicine Community of The BRICS Countries. The agreement lays the framework for co-operation among the BRICS member countries in setting up telemedicine system to address the healthcare issues of people in remote areas. India would work closely with other BRICS members by sharing its best practices in the field of telemedicine.

Mr. Saroj Mishra, head of the department of endocrine surgery and coordinator of the Indian School of Telemedicine shared interesting experience with the participants of the Forum. Through a video presentation, Mr. Mishra explained how the mobile telemedicine center delivered healthcare service to the people in remote villages of India, where there are no clinics.

### Visit to the AgroFarm:

Officials of All India Association of Industries and World Trade Centre Mumbai visited the "The AgroFarm", a greenhouse complex which cultivates fresh fruits and vegetables on 3,096 hectares of land, located in the village Yarki of the Khanty-Mansiysk Autonomous Okrug - Ugra.

The company produces and implements more than



1.500 tons of high-quality and environmentally clean products. The AgroFarm is working with major trading networks and delivers vegetable in most shops of the city Khanty-Mansiysk Okrug.

The company uses latest technology, high-tech system of supplementary lighting plants and ensures that vegetables and fruits are produced throughout the year including the winter season, which otherwise would be impossible to grow in -21° Celsius.

Further, the AgroFarm officials informed that the expansion plan of II phase of the greenhouse complex with total area of 5.35 hectares, is scheduled to be ready for commissioning by September 2017.

### Business Cooperation between Ugra and India

To facilitate cooperation between Indian and Russian Companies, an interactive session was organized at the Chamber of Commerce and Industry of the Khanty-Mansiysk Autonomous Okrug-Ugra's office. The Indian business delegation got an opportunity to present their product and services which they had to offer to the Russian market.

Ms. Renu Verma, Director All India Association of Industries (AIAI) informed members about the Russia India Trade House Mumbai (RITHM) and its services offered to MSME members. Ms. Verma assured Ms. Alfiya Pavkina, President, Chamber of Commerce and Industry of the Khanty-Mansiysk Autonomous Okrug to offer all the support and cooperation needed to build and strengthen bridges of socio-economic prosperity through the promotion of trade and investment between India and Russia.

While presenting various services and facilities offered by World Trade Centre Mumbai to its business community, Ms. Naravane announced the operations of the newly established World Trade Centres in Bhubaneswar, Goa and Jaipur, prominent states of India. An invitation to participate in the



6th Global Economic Summit to be held in the month of February 2017 was extended to the delegates. She appreciated the overwhelming hospitality extended by the Host and highlighted the commonalities in culture between India and Russia.

Dr. Manish Arora, Joint Director, National Institute of Electronics & Information Technology (NIELIT) presented the role of NIELIT in the development of IT sector in India. Dr. Arora explained NIELIT's role in demonstrating and undertaking turnkey projects in office automation, software development, website development and their role in implementation of ESDM (Electronics System Design Manufacturing) scheme of Deity, Govt. of India. Dr. Arora had a fruitful discussion with Mr. Vladimir Khamedov, Centre Head, Ugra Research Institute of Information Technology, Khanty-Mansiysk, Russia and explored the possibility of collaboration in area of remote sensing.

Mr. Pulkit Kapur, Chief Technology Officer from Age Analytics informed the delegates about the various projects undertaken by their organization in the field of Enterprise Architecture & Consulting, ERP rollout, Application Development & Support, Mobile App Development, Automation Testing, Business Intelligence & Analytics. Mr. Kapur mentioned about their recent Engagement with South African

Mr. Avidutta Barsode, Chief Executive Officer of

Relief Phytopharmaceuticals presented a brief introduction about his company and products which are specially manufactured from the Plant derivatives of various kinds. Mr. Barsode underlined that the Company has developed about 24 formulations of different medicines which are used for the treatment of Health Care, Skin Care & Hair Care.

Mr. Barsode had fruitful meetings and has snapped a deal and shall be initiating

Mr. Suresh Sharma, CEO of Jyoti Enterprises appraised the delegates about innovative machinery developed by his organization for the packaging industry.

Mr. Anshuman Sharma and Mr. Pavel Pavlov from Advance Trading LLC informed about their company which is the official Russian supplier of antituberculosis drugs manufactured by the company Macleods Pharmaceuticals Limited (India) in Russia and also one of the market leaders in the Russian market.

Ms. Natalia Komarova, Governor of the Khanty-Mansiysk Autonomous Okrug – Ugra, Russia made an official announcement of the portal during the BRICS meeting at St. Petersburg and during the IT Forum at Khanty-Mansiysk, Russia. The idea behind WORLDBRICS is to initiate and assist MSMEs to strengthen trade ties between BRICS region.

WORLDBRICS is an online B2B platform for buyers and sellers of the BRICS countries where



the Entrepreneurs & Exporters will be able to post information about the products and services rendered. The purpose of this portal is to bring together buyers & sellers in one place regardless of the size of their production, Industry sector, geographic location and providing them a convenient tool to increase their trade among the BRICS countries through this portal.

#### Exhibition:

##### Information Technologies for All

Alongside the conference an exhibition on 'Information Technologies for all' was organized. Mr. Alexei Putin, Deputy Governor of Ugra inaugurated the IT-Forum exhibition held at Ugra expo on June 8, 2016. In his opening remarks, Mr. Putin highlighted the role of BRICS and SCO countries in the advanced development of science parks, e-government, medicine, sports, culture and social protection of the population. Mr. Putin also acknowledged the significance of IT in the field of secondary and higher education, as the year 2016 was declared the 'Year of Childhood' in Ugra. He confirmed that various workshops on robotics, animation creation, manufacturing souvenirs were organized for children within the Forum. The latest technologies and IT market services, experience of their application in business, public administration and daily life were presented at the exhibition.

##### Meeting with the WTC Moscow:

Ms. Verma and Ms. Naravane met with Mr. Alexander M. Rybakov, Counsellor to Director

General, Ms. Maria V. Trubnikova, Director of the International Business Cooperation and Public Relations Department and Mr. Alexey B. Savrasov, Head of Trade Analytics sector from WTC Moscow.

During the meeting, the delegates discussed with the officials ways to enhance collaborations between the MSMEs of both the countries in sectors such as IT, hi-tech machine-building, electric machine-building and aircraft-building. The meeting also focused on how AIAI, WTC Mumbai and WTC Moscow would take forward the Memorandum of Understanding (MoU) signed earlier between the organizations.

##### Meeting with the Russian Trade and Economic Development Council (RTEDC)

Ms. Verma and Ms. Naravane met Mr. Bondarenko Alexander, Head of International Projects Department and Ms. Elina Gulina, International Cooperation Division, Russian Trade and Economic Development Council (RTEDC). During the meeting, officials discussed co-operation in sectors such as Engineering, IT, Automotive, Pharmaceuticals, Health care and Steel.

AIAI and WTC Mumbai signed an Agreement of Cooperation with RTEDC signed to facilitate multi-field cooperation in economy, investment, technology exchange between both the countries.



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**Dr. Subhansu S. Mohanty**  
Director, St. Francis Institute of  
Management & Research

The current and future demand for management professionals and in line with the economic growth prospects of our country, management education has become a necessity. The need for equipping our workforce for

managerial roles is further heightened due to the ambitious plans of our Government, particularly in transforming India into a knowledge economy, with emphasis on 'Make in India' 'Digital India' and 'Skill India' initiatives. We have a number of domestic companies which are continuously striving to increase their global footprints and there is an increasing interest from overseas businesses to expand their presence in India. While one may possess the required qualifications for their core function, moving into the higher echelons of management comes faster to those who have acquired specialized business management skills.

Education sector has grown exponentially in India, skill and excellence are still severely lacking. This is due to a plethora of overlapping regulatory agencies/framework which stifles growth and development of educational institutions and their ability do not allow them to flourish in a competitive market environment. We are happy to have a Government which has realized the above complexities and trying its best to remove those bottlenecks.

However the curriculum is still very much grounded in theory and does not encourage analytical thinking, emphasis on applications of management principles, applied research, innovation and entrepreneurship. Greater interaction between regulatory agencies, universities and management institutes is needed, to incorporate useful feedback into modernizing the curriculum and make them adaptive to the rapidly changing business environment.

Merit sponsorships/scholarships by the private

sector should be encouraged. State-level funding for overseas student tours, hosting student-corporate interaction with overseas business delegations, providing scholarships for management education, should be extended to all accredited (funded or non-funded) Management institutes that are contributing to their State's prosperity by providing education to local residents and developing local employability partnerships. Merit programmes and networking forums that motivate women to discover their untapped managerial potential and take up leadership roles in industry, should be established. National schemes providing financial assistance/loans may be administered through NGOs and the banking sector.

All these are required to make management education more relevant to current needs, improve its quality and job-readiness and contribute to the development of the economy, living standards and larger societal benefits.

The standardization of high quality global management education curricula coupled with their dissemination through Information and Communication Technology (ICT) such as Massive Open Online Courses (MOOC) could help us to reach out to a larger audience at affordable costs

#### **SFIMAR's Key Differentiators: Enlightening Minds, Defining Leaders**

At SFIMAR we have turned every challenge into an opportunity. We have adopted a 'student-focus' approach. Though we have adapted the Mumbai University/ AICTE-approved MMS, PGDM and Part-time programmes in Business Management, we have introduced added curricula, excellent pedagogy, co-curricular and extra-curricular activities for the holistic development of our students. Within a relatively short span of 14 years, SFIMAR has built an enviable track record. It has proven its mettle by obtaining Grade A accreditation from National Assessment and Accreditation Council of India (NAAC) in March 2016. It has won several accolades at National level such as 'Most Upcoming B-School' Award 2015 from ASSOCHAM, 'Best Educational Quality Enhancement Team' Award 2014 from National Centre for Quality Management. It has also earned

recognition from the University of Mumbai's Department of Lifelong Learning and Extension for being the best participating B-School in Extension and Community Development Projects. SFIMAR is proud to be a part of the St Francis Group of Institutions which is run by the Congregation of Franciscan Missionary Brothers having a 114-year old legacy of 'Service Through Enterprise'.

True to its Motto 'Service Through Enterprise', SFIMAR has been proactive in implementing experiential learning. Creative thinking, problem-solving, team work, competitiveness and leadership skills are developed through case study analysis, role plays, debates, participation in quizzes and inter-collegiate competitions.

We have leveraged the benefits of technology by building an enviable storehouse of knowledge for our students through on-going investments in faculty development, pedagogy and library resources, as well as in IT solutions that speed up student services and help us implement useful feedback from all stakeholders.

SFIMAR facilitates industry (management)-academia (student) interaction through its Eminent Speaker Series, Management Development Programmes, Regular Guest Lectures, Summer Xcellence and Prakalpa (project competitions), Alumni Connect etc.

We also promote interaction between academic institutions through our Visiting Faculty Programme and the Annual Research Conference 'Pathh' and 'Anveshi'. We have recently set up an entrepreneurship and Business Incubation Zone (SFIMARebiz) to encourage self-employment and empower entrepreneurs to chart successful business ventures, by providing training, networking and cost-efficient solutions for setting up their business. We run a number of certification programmes such as portfolio management, equity research, investment strategy, alternative investment management, digital marketing etc. For our students to make them job-ready with requisite enhanced skills.

Our students participate in knowledge and skill enhancement programmes such as 'Thought Leader' and 'Lead by Example'. We run many

co-curricular activities to help students develop their personality, improve their concentration, creative thinking and innovation and the ability to lead and mentor others. These are conducted through various Clubs such as Nirmiti (Marketing), Finatics (Finance), Prerna (Entrepreneurship), Abhimaan (Institute Social Responsibility), Green (Environment), Mindfulness and various other personality development trainings. Our well-qualified and experienced faculty are supported by competent and dedicated programme co-ordinators and staff, who ensure that programme delivery adheres to the institute's strict quality, security and business continuity standards.

Through the concept of Research Development Value Chain, we focus on applied research and on vital topics such as corporate social responsibility and governance, financial inclusion, investment strategy and asset allocation with forward looking indicators, digital marketing and so on. Both faculty and students are involved in such research projects.

We have a consistent track record of 100% placement. We have started Corporate On-boarding Programme very successfully in which recruiters invest valuable resources in familiarizing our students with their organizational values, goals, roles, norms, and overall work environment. They also provide them job-specific training so that they have the necessary skills to get absorbed into their mainstream roles easily and become effective organizational members. This Corporate On-Boarding is a win-win programme for all, as it leads to positive outcomes for new employees, such as higher job satisfaction, better job performance, greater organizational commitment, reduction in occupational stress and intent to quit.

Concepts such as compassion, stewardship, are not just words but qualities ingrained in our students. The Franciscan values coupled with the able leadership provided by the Chairman, Bro Alphonse Nesamony, continue to be a guiding beacon leading SFIMAR to higher standards in teaching, research and community service.

# Best Compliments



## Surprising LUX : A dynamic economy



Located in the heart of Europe, Luxembourg is the ideal gateway to the European market with over 500 million consumers. Due to its political and social stability, skilled and multilingual workforce, state-of-the-art infrastructure, excellent connectivity to markets,

favorable legal environment and attractive tax climate, Luxembourg offers an exceptional range of assets and opportunities for doing business in Europe.

The Luxembourg Government has always pursued a pro-active economic development policy, making possible for Luxembourg to become an international financial centre and establish itself as a prime business location. In recent years, the Government has put emphasis on emerging and innovative technology based activities such as ICT, e-commerce, media, automotive components, materials, plastics, logistics, environmental and health technologies

Today, the results of this policy are clear: Luxembourg is home to some of the most successful global companies.

The modest dimension of the Luxembourg economy is key to explaining its historic openness to larger markets. With a population of over 560,000, foreign trade is the main vector for economic growth. More than 80% of the goods and services produced in the Grand Duchy are exported, almost entirely to the European market.

### The keys to success

#### An attractive business environment

Luxembourg's economic policies strengthen

private initiative and innovative spirit. A free market approach gives business broad freedom of action. Rigid bureaucracy and cumbersome red tape are unknown. The Luxembourg Government actively encourages investment and innovation through a legal and regulatory framework designed to support business creation and economic development.

Thus the country has one of the highest standards of living in Europe, low inflation, low unemployment, competitive corporate and personal income taxes, low public debt and a balanced budget. These policies result in a triple A rating from all three major credit rating agencies (Moody's, Standard & Poor's and Fitch).

#### High productivity

The vitality of the Luxembourg market is for a large part due to the skills and the hard-working mentality of its people. Cross-border thinking, mobility and the cosmopolitan nature of its workforce (of whom one third commutes each day from the three neighboring countries) contributes to the Grand Duchy's high productivity. The language skills of the workforce enable Luxemburg companies to claim proudly: "we speak our customers' language".

#### Social and political stability

Social conflicts are almost always avoided thanks to good relations between the social partners and the Government, a constructive dialogue known as the 'Luxembourg Model'. This is just one of the reasons why there are hardly any strikes. A succession of coalition governments contribute to political stability thanks to a consensual approach to economic policy making.

### An international financial centre

The Luxembourg's financial centre is truly international and diverse, providing a well-regulated European hub to many foreign financial institutions. The flagship activity of the Luxembourg financial centre is fund administration. It is the second largest in the world due to its pre-eminent role in the European market, services which are also proving successful in Asia, the Middle East and South America. Private banking is the other main pillar of the financial industry and is ranked as the largest in the Eurozone. The country has expertise in other domains, too, being an attractive base for life insurance and reinsurance companies, including leadership in the area of "captives". Financial services are a significant employer in Luxembourg, representing 11% of the labour force.

This success can be attributed to a combination of factors. A limited domestic market led Luxembourg to build internationally recognised expertise backed by a multilingual workforce with an outward-looking mentality. Operating in a stable political and social environment, the country is supported by a modern legal and regulatory framework. Financial firms are thus able to benefit from a range of flexible and sophisticated investment vehicles.

Luxembourg considers investor protection to be a core priority and was one of the first countries to adopt measures against money laundering.

The Grand Duchy is also a popular centre for corporate finance, with many multinational groups establishing their head offices in the country. The stock exchange also has an important niche role, specializing in the listing of bonds, with more than 3,000 issuers from over 104 countries present. A special effort is currently being made in terms of Islamic finance and renminbi bonds.

### Headquarters

Thanks to its business-friendly environment, Luxembourg is the location for European

headquarters of many global companies such as Amazon, Ampacet, eBay, DuPont, Goodyear, Teijin Films, Fanuc (Robotics and CNC), Guardian and Rakuten. All have conquered the European market through the Grand Duchy. More and more companies have also established their global headquarters in Luxembourg, including ArcelorMittal, SES, Delphi (Powertrain Systems) and Cargolux, to name but a few.

The country's high standard of living makes it an excellent place to live for top managers and their families, thereby helping firms attract international staff. Through excellent flight and high-speed train connections, management and sales people can quickly access any European capital. The highly skilled and multilingual workforce is a valuable resource for corporate functions, such as treasury and accounting, sales and marketing, supply chain management and logistics, as well as for R&D activities and IP management. State-of-the-art ICT infrastructure and redundant broadband connectivity also makes Luxembourg the place to locate data centres and IT functions.

### Logistics

Due to the expertise of its people, excellence infrastructure and strategic location, Luxembourg has established itself as an ideal intercontinental hub in Europe for value-added logistics

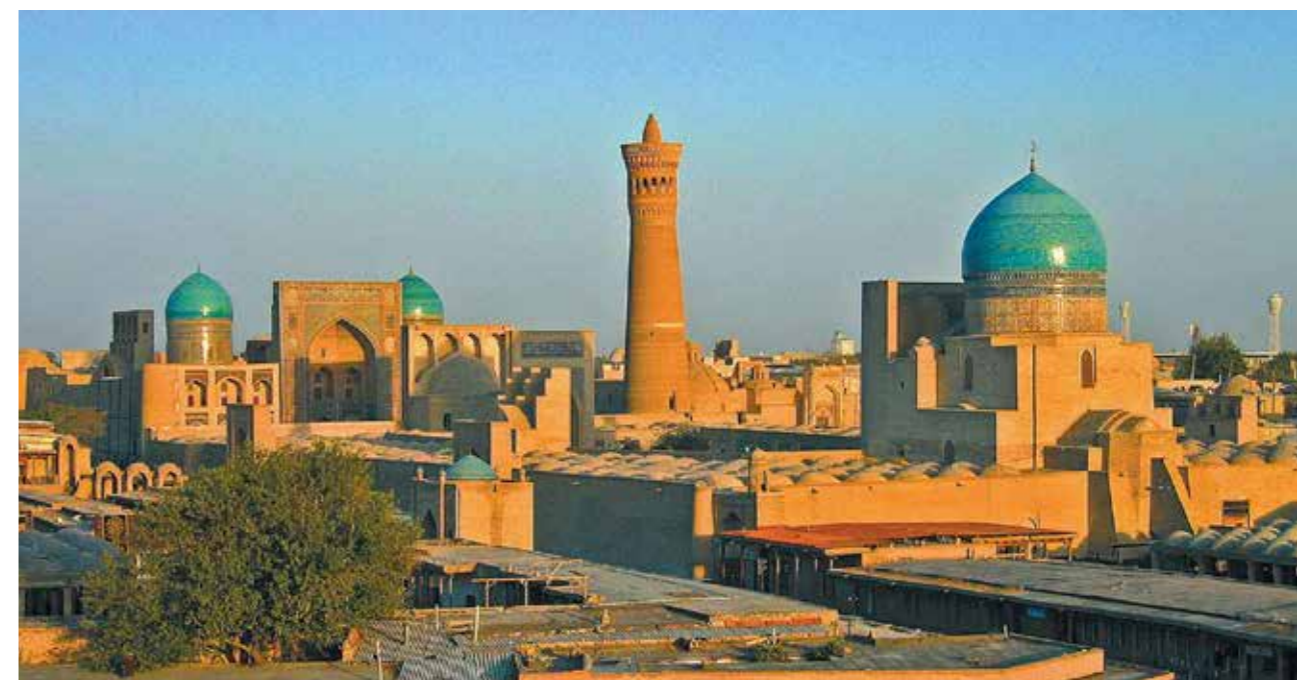
Luxembourg's international airport is one of the leading freight airports in the world.

Should you consider expanding your production, service or sales activities in Europe, do not hesitate to contact us directly.

### Ten good reasons why Luxembourg should be your choice in Europe:

- Central geographical location
- Open and safe
- Easy access to decision-makers
- Business-friendly legal and regulatory framework
- Rewarding tax environment
- Competitive business costs
- Highly skilled, multilingual workforce
- State-of-the-art infrastructure
- Investment and R&D incentives
- High quality of life

## Uzbekistan



Uzbekistan officially known as the Republic of Uzbekistan is a doubly landlocked country in Central Asia. It is a unitary, constitutional, presidential republic, comprising 12 provinces, 1 autonomous republic, and 1 capital city. Uzbekistan is bordered by five countries: Kazakhstan to the north; Tajikistan to the southeast; Kyrgyzstan to the northeast; Afghanistan to the south; and Turkmenistan to the southwest. Uzbekistan is officially a democratic, secular, unitary, constitutional republic with a diverse cultural heritage.

Uzbekistan has the fourth largest gold deposits in the world. The country mines 80 tons of gold annually, seventh in the world. Uzbekistan's economy relies mainly on commodity production, including cotton, gold, uranium, and natural gas. Despite the declared objective of transition to a market economy, its government continues to maintain economic controls which imports in favour of domestic "import substitution".

The country has been conducting large-scale reforms in all fields, promoting political stability and economic growth are retaining, living standards are rising. At the same time, the state program for

the development of industry, infrastructure, and domestic production have been adopted. Their successful implementation contributes to the fact that Uzbekistan has become an attractive country for foreign investors. It is evidenced by the fact that due to all sources of financing, investments in equivalent of \$ 15.8 billion were involved and used in 2015, which was 9.5 percent higher than the corresponding figures in 2014. More than 21 percent of all investments or over \$ 3.3 billion are foreign. It must be emphasized that the work on creating a favorable investment climate in the country is continuing. The republic attaches particular importance to free economic zones' operation, on the territory of which operate special customs, currency and tax regimes, there are great potential for a successful business development.

Also there are special legal regimes, including fiscal, monetary and customs and simplified procedure for entry, stay and departure, as well as permission for non-residents of the Republic to carry out work, extensive tax benefits, customs and other obligatory payments are provided on its territory. In order to create the most favorable conditions for investors.

In particular, Navoi Airport, located in the heart of the republic - at the crossroads of "North-South" and "East-West" international land and air corridors, is an ideal regional hub for international freight traffic management. On the basis of an agreement with Korean Air, the first stage of Navoi airport's modernization is completed with the establishment of an international logistics center and construction of a cargo terminal, which allows processing 300 tons per day. The terminal's capacity will be bought up to 1000 tons per day with the increase in freight traffic in the future. The logistic center is designed to serve as a full-fledged of their distribution in the region with ground transportation system, as well as the redistribution of freight traffic with aircraft in North-South and East-West directions.

The use of air corridors with a stopover in Navoi provides at least substantial saving of time and shipping costs. Moreover a specialized zone is connected and geographically close to the railway, which has access to the markets of Central Asia, the CIS, South-East Asia, Europe, the Middle East and the Persian Gulf. All the main railway routes in the region with access to the southern ports of Iran and Turkey pass through Navoi, and to the ports of the Black and Baltic Seas in the west and north. The shortest rail route from China to Europe also runs through Navoi. The shortest transit connection to Afghanistan, Pakistan and India has been created with the commissioning of "Guzar-Boysun-Kumkurgan" railway line.

Today "Navoi" free industrial economic zone becomes the leading industrial and logistics center of regional and international importance - "Oasis of new technologies", which has a world-class modern infrastructure, developed transport communications and provides unprecedented benefits.

#### Current Economic Scenario

Due to the systematic and consistent implementation of the most important tasks and priorities of the economic program adopted for 2016,

Uzbekistan ensured sustainable economic growth and macroeconomic balance despite the ongoing crisis in the global economy and the slowdown in its development rates. For the first quarter of the current year the gross domestic product of the country increased by 7.5 percent. The volume of industrial production increased by 7%, agriculture - 6.7%, retail turnover - 12.8%. The state budget was executed with a surplus of 0.1 percent of GDP. Inflation has not exceeded forecast parameters.

Measures, taken on accelerated development of modern types of services, primarily based on information and communication technologies, contributed to the growth of the volume of services by 12.1 percent and increasing their share in GDP to 59.5 percent compared to 59.3 percent in the first quarter of 2015. The continued implementation of measures to stimulate small business development, to further improve the conditions for organizing and carrying out business activity contributed to the creation of approximately 8.4 thousand new small businesses in the first quarter of the current year, or 5.5% more than the same period of 2015. Since the beginning of the year, small businesses have been allocated bank loans amounting to 3.6 trillion soums, which is 1.3 times more than in the first quarter of 2015.

The number of new jobs, created within the Programme of jobs creation and increasing employment of the population for 2016, has reached 167.4 thousands, of which 57.7 percent are in rural areas. Currently about 80 percent of the growth of industrial production is provided by manufacturing industries.

According to the global survey Uzbekistan is considered one of the fastest growing economies in the world and is expected to reach great heights in the next decades.

## Building women's economic empowerment



**"It will take more than eliminating discrimination against women to achieve true gender equality"** by Suzi Nandera, Programme Officer at the Overseas Development Institute

The adoption of the new Sustainable Development Goals (SDGs) in September 2015 marked a momentous year for the United Nations. They aim to transform lives in the 21st century and address such challenges as poverty, gender inequality and unemployment.

However, only one of the 17 goals is entirely dedicated to gender: Goal 5 commits countries to 'achieving gender equality and empowering all women and girls.' This means tackling the social, political and economic constraints that stop women from reaching their full potential. With wide gender disparities in countries across the globe, it will take more than eliminating discrimination against women to achieve true gender equality.

While there has been progress for women around the world, they still earn less than men, they still experience abuse and their chances of accessing technology and jobs continue to be limited by traditional views about household duties. As a result, the proportion of working-age women actually employed in 2013 stood at just 47.1% compared to 72.2% for men according to the International Labour Organization (ILO). In South Asia, women's participation in the labour force

ranges from just 21% in Afghanistan to 79.4% in Nepal.

The benefits of expanding women's economic opportunities are readily apparent. Evidence from a range of countries shows that women who earn an income tend to reinvest that income at home, with subsequent benefits for the health, education and well-being of their families. In terms of economic benefits, women not only improve their own skills through work but often advance the interests and choices of other women in their community.

Women's economic empowerment is crucial for the achievement of many SDGs. At the same time progress towards most, if not all of the others could spur women's economic empowerment. Lasting progress towards better health and education (Goals 3 and 4), for example, will require interventions with regard to gender issues. Equally, a strong body of evidence suggests investment in infrastructure, technology and sustainable facilities can boost women's economic empowerment and make them more visible as key players in the prosperity of their communities.

Goal 9 is a prime example: 'Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.' Gender matters for infrastructure and the impact for beneficiaries is the benchmark for the success or failure of community projects. Findings suggest



that infrastructure can become more sustainable when it caters to gender differences.

### UNLOCKING POTENTIAL

Despite such findings, women are often excluded from the social and economic benefits that come with better services in their communities, according to the Organisation for Economic Co-operation and Development (OECD). Women spend twice as much time on unpaid work than men as they carry a far heavier burden of domestic and childcare responsibilities.

Evidence from the ILO suggests that even though women provide approximately two-thirds of the world's work and produce half of its food, they earn just 10% of the world's income and own 1% of its property. The allocation of gender roles remains unfair and, for poor women in particular, underinvestment in public infrastructure adds to their burden. As such, prioritizing infrastructure for women and girls could help to ease that burden, particularly in the household.

### WOMEN AND INFRASTRUCTURE

The lack of robust and sustainable infrastructure does more than weaken the global economy and constrain productivity. It hinders the progress of human development, keeping millions of families locked in poverty.

There is usually an assumption that both men and women benefit automatically from new infrastructure. In reality, the design of new infrastructure projects often neglect gender dimensions and their location often prevents access by women who have heavy household duties.

Studies suggest a growing recognition of the need to target infrastructure as an escape route from poverty, particularly for women. The Bangladesh Rural Electrification and Renewable Energy Development Project, implemented by the World Bank, found that rural women with appropriate technology and business skills can make substantial contributions to rural electrification. Rural projects in Nepal and Peru have also found there is greater progress on women's economic empowerment when it is coupled with infrastructure programmes ensuring their equal participation in opportunities that would otherwise have been denied to them.

When efficient sources of energy, transport and access to technology are more accessible to women, it not only gives them time to take part in

new ventures but also benefits communities and contributes to achievement of the SDGs, the Asian Development Bank has said. Studies in Bolivia, Egypt, India and Kenya have shown that owning a mobile phone empowered women by improving access to income-generating opportunities, education and healthcare. What's more, it increased their independence.

Projects with all-encompassing gender policies and coverage 'strengthened women's individual and collective assets and capabilities in strategic areas of their lives and they did this when new opportunities created by the infrastructure made it valuable for women to get in on the ground floor, and perhaps easier for the projects to reduce gender inequalities,' the World Bank has said. An evaluation from a World Bank approved water and sanitation project in Nepal showed community ownership – and in particular ownership by women – was fundamental to the local sustainability of water and sanitation.

The benefits of such projects to women go beyond the economic realm: they have gained equal participation in community and market opportunities. For example, a rural roads project in Bangladesh transformed local communities as women became the major traders in the area. This was achieved through quotas reserving space for women in markets and the provision of separate toilets for men and women.

### BEYOND GOAL 5

Women around the world are on the brink of breaking into more productive work. Initiatives by governments and global actors are empowering them through improved roads, greater access to markets and more opportunities to become entrepreneurs. Gender-sensitive infrastructure services are more responsive to women, recognizing the hurdles they have to overcome to share equally in the benefits of progress.

There is no doubt that empowering women is the right thing to do. It leads to positive economic and social change, which has a direct link to improvements in infrastructure. That link is increasingly shaping the way programmes are designed and implemented. Gender equality – and by extension, the Global Goals – cannot be achieved without women's economic empowerment and their equal access to resources.

Source: International Trade Forum: Issue I - Women and Trade



## GALVANISING THE WORLD

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## Insolvency Bill

An overwhelming majority of small businesses in India are either proprietorships or partnerships and are usually individual. These enterprises have limited access to capital and resources. They are particularly susceptible to the volatile business environment. As a result minor business disturbances can cause otherwise successful businesses to be driven to insolvency.

The MSME sector continues to remain in a state of vacillation - with a large number of start-ups counterbalanced by a substantial number of exits. This is typical in an entrepreneur's pursuit for not only business viability but also of activities that provide the most suitable outlet to nurture one's skills and bring in the much desired success. Therefore efficient exit policy is as important to this sector as easy entry.

Most importantly the micro, small and medium enterprises (MSME) sector is vital to our national economy. An estimated 26 million enterprises provide employment to over 60 million people. The MSME sector is known to contribute to about 45% of the total manufactured output and nearly 40% to India's exports.

Furthermore, according to the 4th Census of Micro Small and Medium Enterprises, Only 3% of these MSMEs are incorporated as Companies. The remaining 94% are either proprietorships or partnerships.

Also unlike limited liability entities, where the liability of the shareholder is limited to the extent of the contribution made or due from him, in proprietorships or partnerships there is no separation of personal and business liability. When a business fails, not only do the assets of the business but the entrepreneur's personal assets

also get attached to pay off business dues.

It is extremely vital for the Government to comprehend that insolvency of corporates such as companies and LLPs is governed by the Companies Act, 2013, the Sick Industrial Companies (Special Powers) Act, 1985 (SICA), SARFAESI Act 2002, the Limited Liability Partnerships Act 2008 etc. in these enactments avenues have been provided for revival and rehabilitation of companies or restructuring of the financial assets involved.

However, the MSMEs have no such security blanket protecting them and therefore it is important that the Government revisits the Insolvency Act bearing in mind that MSMEs should be dealt with in a manner that enables viable enterprises facing temporary credit disruptions to continue while allowing unviable entities to close down speedily, liberating various economic resources - financial or human for alternative deployment in the economy. This requires a comprehensive and sensitive treatment of insolvency of MSMEs.

Government's efforts to bring various policies in consistent with international practices is laudable. However, in the prevailing business and policy environment in the country, these efforts may not yield the desired results. How far our businesses can harmonize these regulations with their business systems is debatable. International laws are well conceived and streamlined with the economic and business parameters and regulatory authorities in the advanced countries are responsive to the needs of the entrepreneurs.

According to the World Bank's Doing Business Report 2016, India now ranks 130 out of 189 countries in the ease of doing business. The figure suggests that India is positioned far behind the

developed countries in the ease of doing business.

The World Bank Report also notes that a cause of concern was that the "getting credit" ranking has slipped from 36 to 42 implying that it has become much more difficult to get credit in India despite the Government's efforts at financial inclusion and pushing ease of credit delivery.

The government has announced its plans to resolve insolvency issues and enforcing contracts through legislation such as bankruptcy law and public contracts dispute resolution bill - areas where it is languishing in the overall ease of doing business rankings.

India is ranked 178 in the parameter of enforcing contracts and 136 on the parameter of resolving insolvency.

Insolvency in India can be attributed to several factors. Delays in credit sanctions and disbursements, slow processing of documents,

policy paralysis hamstringing our businesses. To add to the woes, consortium of bankers do not come forward to support the financial package devised by the lead banks.

As entrepreneurs struggle to revive their enterprises, for a small time business faced with insolvency, the Insolvency Act can deal a severe blow by way of social stigma, as the entrepreneur could be sued and penalized under several regulations. If he is unable to settle or otherwise compound the debt, he continues to be declared insolvent, significantly impairing his capacity to ever raise finance or even seek employment in most cases.

The government's vision on Make in India, digital India, start-ups can lead India on a progressive path provided these programmes are implemented in true letter and spirit and a conducive platform is created for MSMEs to thrive.

### AIAI says Industry status for tourism is commendable

We welcome the Government of Maharashtra's new tourism policy, announcing "industry status" for tourism said Mr. Vijay Kalantri, President All India Association of Industries (AIAI).

Also the government's declaration to augment investments in tourism up to Rs 30,000 crore comes as a respite to the sector. At the same time the policy's aspirations to focus on skill development will consequently enhance employment in the tourism sector.

Moreover its intention to boost medical tourism, nature tourism and agriculture tourism will act as a booster to the respective sectors

Mr. Kalantri is of the opinion that the Government's proposal to exempt luxury tax, entertainment tax, electricity duty charges and stamp duty on investment on land owned by the Maharashtra Tourism Development Corporation is a huge incentive for the sector

Its offer of additional incentives for tourism projects by women entrepreneurs, tourism projects by special people, and sustainable tourist projects is commendable.

## Plea to withdraw duty on export of Bauxite Ore

Bauxite exporters for long have been persistently demanding the removal of custom duty on export of the ore. Bauxite continues to attract heavy custom duty and as a consequence the price of Indian bauxite is uncompetitive in the global market. This is resulting in loss of employment and job cuts in the domestic sector. Moreover, the present situation threatens to destabilize small units of the bauxite industry.

In the last budget, custom duty on export of Iron Ore Lumps and Chromium Ores was reduced from 30% to 0%. But custom duty on export of Bauxite Ore was marginally reduced from 20% to 15% resulting in a decline of nearly 11 % of its exports.

Moreover, the bauxite, which are being exported is low grade and has very low value. It does not carry high prices, as in the case of Iron Ore Exports.

India is endowed with more than 3 billion tonnes of bauxite reserves, spread over several deposits, containing from a few thousand tonnes to more than 300 million tonnes. This figure could increase as the present day technology for alumina production can accept lower quality ore. The present resource position of India indicates the vastness of the deposits, but information on the possibility of utilizing the deposits for various products is either not fully available or is not properly documented and as such low grade bauxite is not utilized.

At present the export of bauxite is confined to non-plant grade bauxite i.e. bauxite which is not used in refractory industry. The bauxite is of low grade and is mostly exported to the Middle East for use by cement industries in those countries and to China.

China produces and consumes nearly half of world's Aluminium for which it needs to import bauxite. Being "Resource-poor", Chinese refineries have been configured to use various blends of bauxite regardless of their inferiority, energy inefficiency, and environment issues. Bauxite from the Indian West coast is not used by Indian metal manufacturers due to its low grading and is

exported to China.

China also imports bauxite from Malaysia, Australia and Guinea. Indian Bauxite comprises of only 14% of the Chinese bauxite import requirements as compared to other competing countries mainly on account of the disproportionate export duty and dwindling quality.

While Australia increased its Bauxite exports to China by 27% from 15.04 million tons in 2014 to 19.14 million tons in 2015, Malaysia on the other hand increased its exports to China by an astonishing 700% i.e. from 2.82 million tons in 2014 to 22.36 million tons in 2015. Australia imposes no export duty on Bauxite, whereas Malaysia imposes a nominal one resulting in India losing out on opportunities to these countries.

In addition, the Chinese preference for lower priced and comparatively better quality bauxite has resulted into an existential threat for Indian bauxite exporters.

The average sale price of bauxite in the international market is in the range of USD 26 to 30 FOB. Whereas Indian bauxite is at USD 32 to 35 FOB due to the 15% export duty levied on the ore. This also has an adverse impact that small and medium sized enterprises engaged in mining, processing and exporting of bauxite face in the global market.

More than 80% of India's Bauxite reserves are located in the states of Orissa and Andhra Pradesh, which explains why nearly all of the integrated Alumina & Aluminium plants are situated in east & central regions of the country. The west coast of India is interspersed with non-contiguous deposits of Bauxite, none of which have the quality or the critical mass to support an Alumina Refinery or an integrated Smelter. The Kutch region of Gujarat is known to have Bauxite of good quality which has for the last six decades been set aside by the Government of Gujarat for an Alumina Refinery. Inferior Bauxite from the Jamnagar region of Gujarat and from Maharashtra is unusable by Indian metal manufacturers on account of its low

Alumina and high Silica content.

Besides, several domestic aluminium producers have refused to source material from the west-coast even to tide over their rare and temporary raw material disruptions; from a domestic perspective, this bauxite is waste-ore.

Small mine owners and export aggregators have over the last 10 years taken the initiative to mine and export these inferior ores and have succeeded in developing a sustainable "mining industry" which generates direct and indirect employment in mining and transportation, generating the employment of more than 50,000 labourers only in Gujarat & Maharashtra.

It is also important to note that being a mining industry this is a labor driven sector and is responsible for hundreds and thousands of labourers employed within the sector either directly or indirectly. If exports are stopped, thousands of laborers will lose their jobs and as such the sector will face a shut down.

At present there are only 2 - 3 major consumers of bauxite in India for producing Aluminum metal in India leaving abundant resources available untapped, which can lose its economic value due to its potency if not used over a period of years.

Moreover the Alumina/Aluminium industry basically uses metallurgical grade bauxite (essentially gibbsite or trihydrate) which is found mostly in the East Coast from where only alumina is exported mainly by National Aluminum Co. Ltd. (NALCO) as a value added product. However, the bauxite resources of Gujarat and Maharashtra are of different kind; most of the bauxite is mixture of gibbsite, boehmite and diasporite or monohydrate which cannot be utilized by the plants for making aluminium metal. It is silicious clay bauxite not suitable for production of Alumina. Major aluminium producing group companies reject such low grade bauxite due to inferior quality. And as such there is no other alternative but to export the low grade bauxite.

India fortunately boasts of more than 3.5 billion tons of Bauxite reserves, of which 2/3rd are of

high quality, not amounting to exports and 1/3rd are of low grade and can be exported. There is still a lot of potential for discovering a larger bauxite resource base in India through modern and scientific prospecting methods. Furthermore, India currently produces less than 2 million tons of aluminium per annum; at India's current rate of aluminium production and consumption, India's known bauxite reserves will possibly last for more than 300 years.

Also with the slow down on the Chinese economy Global Trade has dropped to 2.8% from a projected forecast of 3.8% in FY – 2015-16 & 2016-17.

The Government should review the levy of duty on export of Bauxite, as this will be detrimental and as such export would become unviable. Also huge quantities of such inferior grade Bauxite would pile up at the mines with no takers. Further this is also against the principles of mineral conservation and can be detrimental for the local environment as well.

AIAI has also represented this issue to Mrs. Nirmala Sitharaman, Minister of State for Commerce and Industry, Mr. Arun Jaitley, Minister of Finance and other concerned authorities for reconsideration.

Keeping the above in view, we request the Government of India to reconsider and withdraw export duty on export of bauxite. If the low grade bauxite is not exported, it will certainly cause problems for the bauxite industry. Since their leases are very small and will result in scarcity of space in their mines, these mines will not be able to continue production for the calcinations, refractories and abrasive industries. As a result not only these small mines will be closed but the related industries will also be closed for want of raw material leading to unemployment in the State.



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